of the various problems of contract practice followed. Upon motion duly made and seconded, it was voted that the substance of these resolutions be approved, and that Dr. Hayes be complimented on his efforts to work out the problems of contract practice in Jackson County, that the Jackson County Medical Society be offered the assistance of a number of members of the Council and the Society's legal counsel at the meeting at which the pending resolution will be considered.

4495 A letter from E. DeWitt Connell of Portland, requesting election to life membership was read. Upon motion duly made and seconded, it was voted that Dr. Connell be elected to membership.

A telegram from Dr. R. G. Leland, Director of the Bureau of Medical Economics of the American Medical Association, was read. In the telegram, Dr. Leland requested permission to use an extensive abstract of the report of the Committee on the Study of Contract Practice for the Organization Section of "The Journal". Upon motion duly made and seconded, it was voted that Dr. Leland be authorized to use the report for this purpose.

There was discussion concerning the complaint, brought to the House of Delegates at the Salem session by Dr. Thomas E. Griffith of The Dalles, concerning the practice of medicine by a lay first-aid man employed by the National Hospital Association at Kinzua in Gilliam County. It was pointed out that the House had voted to authorize the Council to employ a special investigator and legal counsel to apprehend and prosecute any person or persons who may be practicing medicine or surgery without a license.

Richard B. Adams called attention to the illegal practice of medicine by the Reingold Tea Company of Portland and stated that an investigation of the actvities of this concern should be made.

Upon motion duly made and seconded, it was voted that the Executive Committee be authorized to employ an investigator to obtain the facts in connection with these reported violations of the Medical Practice Act, and that, if the facts warranted, to employ special legal counsel to prosecute the violators.

President Sweeney announced that a member of the Executive Committee was to be elected, Dr. Hollenbeck's term having expired. Dr. Hollenbeck was nominated, and upon motion duly made and seconded, he was unanimously elected to succeed himself for the three year term ending in 1940.

The following list of committees appointed by President Sweeney were read:

STANDING COMMITTEES

Public Policy

Chairman, William T. Johnson, Corvallis
Vice-Chairman, J. C. Booth, Lebanon
W. B. Morse, Salem
O. C. Hagmeier, Astoria
Richard B. Adams, Portland

Public Education

Chairman, Charles E. Hunt, Eugene
D. C. Reynolds, Corvallis
F. Bertram Zener, Portland

Medical Education and Hospitals

Chairman, W. F. Hollenbeck, Portland
M. M. Woodworth, Albany
J. P. Brennan, Pendleton

State Industrial Affairs

Chairman, E. D. Lamb, Klamath Falls
Vice-Chairman, A. M. Webster, Portland
Burton A. Myers, Salem
George I. Hurley, Eugene
B. A. Van Loan, Portland
Thompson Coberth, The Dalles

Publication

Chairman, Goodrich C. Schauffler, Portland
Karl H. Martzloff, Portland
E. H. McLean, Oregon City

Medical Defense

Chairman, Frank E. Butler, Portland
Otis F. Akin, Portland
W. F. Hollenbeck, Portland

SPECIAL COMMITTEES

Revision of Constitution and By-Laws

Chairman, Karl H. Martzloff, Portland
E. L. Zimmerman, Eugene
G. A. Massey, Klamath Falls
Frank E. Fowler, Astoria

Cancer Control

Chairman, C. H. Manlove, Portland
W. J. Weese, Ontario
E. D. Furrer, Eugene
J. M. Hilton, Klamath Falls
J. D. Rankin, Coquille
J. C. Vandevert, Bend
Wallace Haworth, Portland
Louis P. Gambee, Portland
Thomas D. Robertson, Portland

Conservation of Vision

Chairman, A. B. Dykman, Portland
Helen A. Cary, Portland
Frederick A. Kiehle, Portland
Irving M. Lupton, Portland
Ralph W. Stearns, Portland

Conservation of Hearing

Chairman, Wilson Johnston, Portland
W. W. Baum, Salem
Lester T. Jones, Portland
Wilword H. Belknap, Portland
Squire S. Bozorth, Portland
F. L. Ralston, La Grande
Ernest A. Woods, Ashland

Maternal Welfare

Chairman, Raymond E. Watkins, Portland
Carl W. Emmons, Salem
Goodrich C. Schauffler, Portland
Grant S. Beardsley, Eugene
Albert Mathieu, Portland
G. L. McBee, Pendleton
C. L. Blakely, Baker

Advisory Committee on Laboratory Standards to the State Board of Health

Chairman, C. H. Manlove, Portland
Frank R. Menne, Portland
Robert L. Benson, Portland
Emma M. Howe, Portland

Medical Economics

Chairman, Thompson Coberth, The Dalles
E. D. Lamb, Klamath Falls
O. C. Hagmeier, Astoria
W. W. Baum, Salem
Dean P. Crowell, North Bend
J. C. Hayes, Medford
George E. Henton, Portland
Secretary, Richard B. Adams, Portland

Clinic and Institutional Medical Care

Chairman, S. G. Henricke, Portland
G. C. Bellinger, Salem
Frank R. Mount, Portland
Roy S. Stearns, Portland
Charles P. Wilson, Portland

Military Affairs

Chairman, H. M. Greene, Portland
Vice-Chairman, Byron G. Bailey, Grants Pass
Dean P. Crowell, North Bend
Laban A. Steeves, Salem
A. F. Walter Kresse, Medford

Liaison-Woman's Auxiliary

Chairman, O. C. Hagmeier, Astoria
Vice-Chairman, George H. Bendshadler, Portland
Charles E. Hunt, Eugene
Ralph A. Fenton, Portland
John H. Fitzgibbon, Portland

Veterans' Affairs

Chairman, Archie C. Van Cleve, Portland
Vice-Chairman, Fred Lieuallen, Bend
R. C. Faust, Eugene
E. B. Stewart, Roseburg
Laban A. Steeves, Salem
M. A. Kenney, Rainier
D. C. Stanard, Eugene
Thomas E. Griffith, The Dalles
Joseph P. Brennan, Pendleton
A. F. Walter Kresse, Medford
M. R. Charlton, Tillamook
C. J. Bartlett, Baker
L. B. Bouvy, La Grande

M. M. Woodworth, Albany
H. R. Kauffman, Toledo
A. B. Peacock, Marshfield
E. D. Lamb, Klamath Falls

Syphilis Control

Chairman, Morris L. Bridgeman, Portland
Earl M. Anderson, Portland
D. Ronald Frazier, Portland
H. Welland Howard, Portland
Lyle B. Kingery, Portland
Merl L. Margason, Portland
Howard C. Stearns, Portland
C. O. Sturdevant, Portland
Charles P. Wilson, Portland

4497 *Advisory Committee to Young Physicians*

G. L. Biggers, La Grande
Thompson Coberth, The Dalles
W. H. Dale, Eugene
O. C. Hagmeier, Astoria
E. D. Johnson, Klamath Falls
William T. Johnson, Corvallis
A. E. Mackay, Portland
W. B. Morse, Salem
Alfred B. Peacock, Marshfield
A. C. Seely, Roseburg
C. A. Wainscott, Pendleton

Honorary Membership

Chairman, D. C. Burkes, Portland
W. G. Homan, Burns
O. J. Bartle, Eugene
J. C. Booth, Lebanon
A. W. Moore, Portland

Necrology

Chairman, A. C. Kinney, Sea View, Washington
George E. Houck, Roseburg
Andrew C. Smith, Portland
E. J. Schuster, Tillamook

(In the smaller communities, the councilor for the district will serve)

Upon motion duly made and seconded, it was voted that the appointment of these committees be approved.

President Sweeney called for the report of the Executive Committee. The executive secretary reported the following actions of the Committee:

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3. Voted to recommend to the Council that Mr. John J. Coughlin, former associate of Mr. Snedecor, continue as legal counsel.

Upon motion duly made and seconded, it was voted that this recommendation be adopted.

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Plaintiff's Exhibit 317

4498 MINUTES

December 11, 1937

The regular monthly meeting of the Council of the Oregon State Medical Society was held at the Mallory Hotel on Saturday, December 11th, at 2:00 P.M. The following members of the Council were present: Charles T. Sweeney, Charles E. Sears, W. W. Baum, Richard B. Adams, Dean P. Crowell, Morris L. Bridgeman, Karl H. Martzloff, Guy L. Boyden, O. C. Hagmeier, Charles E. Hunt, J. S. Hayes, E. D. Lamb, Thompson Coberth, Halph A. Fenton, and John H. Fitzgibbon. Robert L. Benson, Raymond E. Watkins, George E. Henton, John P. Cleland, H. Garnjobst, John C. Coughlin, legal counsel, and the executive secretary were also present.

The meeting was called to order by President Charles T. Sweeney.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of the meeting of November 13th and to adopt the minutes in the form in which they had been previously mailed to the members of the Council.

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4499 • • • • •

A letter from the Clackamas County Medical Society stating that its members had voted to notify individually all hospital associations operating in Clackamas County that, after February 1, 1938, they would not be available

to care for patients of such associations was read. Upon motion duly made and seconded, it was voted that this letter be placed on file.

• • • • •

Plaintiff's Exhibit 318

4500 **MINUTES**

January 15, 1938

The regular monthly meeting of the Council of the Oregon State Medical Society was held in the auditorium of the Medical-Dental Building on Saturday, January 15th, at 2:00 P.M. The following members of the Council were present: Charles T. Sweeney, Charles E. Sears, Richard B. Adams, Dean P. Crowell, W. F. Hollenbeck, Morris I. Bridgeman, Karl H. Martzloff, Blair Holcomb, Charles E. Hunt, Thompson Coberth, and John H. Fitzgibbon.

George E. Benton, Joseph F. Wood, Ralph M. Prag, John J. Coughlin, legal counsel, and the executive secretary were also present.

Members of the Executive Council of the Oregon State Dental Association were also present, on invitation, to discuss mutual problems relating to the unionization of the professions.

The meeting was called to order by President Charles T. Sweeney.

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4502 Dr. Hunt submitted a request in behalf of the Lane County Medical Society for a decision as to whether it is in conformity with the Principles of Medical Ethics for a physician to render service to an individual and accept payment of a reasonable and customary fee from such an individual, when the physician knows or has good reason to believe that the individual is covered by a contract with an organization which employes practices which are in violation of the Principles and that the patient is obtaining from the contract organization the money to pay his fee. Upon motion duly made and seconded, this matter was referred to the Executive Committee to formulate a policy for the consideration of the Council.

Dr. Crowell presented a summary of the results of questionaires concerning the medical care of low-wage earners received by the Committee on Medical Economics from

physicians, employers, and physician-controlled prepayment organizations.

There being no further business, the meeting was adjourned.

Secretary

Plaintiff's Exhibit 319

4503 MINUTES

March 5, 1938

The regular monthly meeting of the Council of the Oregon State Medical Society was held at the Mallory Hotel on Saturday, March 5th, at 2:00 P.M. The following members of the Council were present: Charles T. Sweeney, Charles E. Sears, W. W. Baum, Richard B. Adams, Dean P. Crowell, Karl H. Martzloff, O. C. Hagmeier, Charles E. Hunt, J. C. Hayes, E. D. Lamb, Thompson Coberth, L. S. Kent, John H. Fitzgibbon, and Ralph A. Fenton.

George E. Henton, Burton A. Myers, G. I. Hurley, and the executive secretary were also present.

The meeting was called to order by President Charles T. Sweeney.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of February 5th and to adopt the minutes in the form in which they had been previously mailed to the members of the Council.

The following bills were read and approved:

* * * * *

John Coughlin $289.40

* * * * *

4504 Dr. Lamb stated that the Committee on State Industrial Affairs recommended the approval of the proposed schedule with the following exceptions:

1. That the State Industrial Accident Commission be requested to clarify the provisions that "Fees listed under the X-Ray schedule include a written diagnosis", and that "Bills for X-Rays filed and which are not accompanied by a written diagnosis will be allowed at one-half the schedule rate", to make it clear whether the "written diagnosis" must be provided by a roentgenologist or can be supplied by the attending physician; and, further, that the Commission be re-

quested to provide a blank on which the physician can report the written diagnosis.

2. That the State Industrial Accident Commission be requested to increase the mileage allowance from 50 cents to 75 cents for day visits and from 75 cents to $1.00 for night visits.

3. That the State Industrial Accident Commission be requested to eliminate the item of tonsillectomy from the published schedule.

Dr. Crowell expressed the opinion that the proposed fee of $5.00 covering the suture of lacerations and cuts, including after care, was inadequate for the average run of such cases and should be increased to $7.50.

Upon motion duly made and seconded, it was voted that the fee schedule proposed by the State Industrial Accident Commission be approved, with the changes suggested by the Committee on State Industrial Affairs and the change suggested by Dr. Crowell, with respect to the suture of lacerations and cuts, including after care.

There was discussion concerning the place and dates of the annual session. It was concluded that the recommendation of the Committee on Scientific Work that the meeting be held at Timberline Lodge, near Mount Hood, be approved. The dates of September 8th, 9th, and 10th, were suggested but no final conclusion was reached because of possible conflicts with other meetings.

There was discussion concerning the mid-year meeting of the House of Delegates, the holding of which was voted by the House at the 1937 session. Upon motion duly made and seconded, it was voted that the mid-year meeting of the House of Delegates be held at Portland on Saturday, June 25th, and that Dr. R. G. Leland, Director of the Bureau of Medical Economics of the American Medical Association, be invited to attend and to participate in the discussion of the matters to be considered.

Dr. Sears, called attention to the pamphlets in opposition to federalized medicine prepared by the publication, "Medical Economes", under the title, "Family Doctor or Federal Agent", and the value of these pamphlets in educating the lay public concerning the evils of governmentally-controled medicine. Upon motion duly made and seconded, it was voted that the Society supply each member with a carton of 50 pamphlets to be placed in his waiting-room.

Drs. Hunt, Fitzgibbon, Sears, Coberth, and Sweeney, and the executive secretary each presented summary reports of

the discussion of the several common problems considered at the conference of representatives of the California, Washington, and Oregon state associations held in San Francisco on February 27th.

Plaintiff's Exhibit 320

4505 MINUTES

April 2, 1938

The regular monthly meeting of the Council of the Oregon State Medical Society was held at the Mallory Hotel on Saturday, April 2nd, at 2:00 P.M. The following members of the Council were present: Charles T. Sweeney, Charles E. Sears, W. W. Baum, Richard B. Adams, Dean P. Crowell, W. F. Hollenbeck, Karl H. Martzloff, O. C. Hagmeier, Charles E. Hunt, J. C. Hayes, E. D. Lamb, Thompson Coberth, L. S. Kent, and John H. Fitzgibbon.

George E. Henton, Otis A. Akin, Stanley Lamb, John J. Coughlin, legal counsel, and the executive secretary were also present.

The meeting was called to order by President Charles T. Sweeney.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of March 5th and to adopt the minutes in the form in which they had been previously mailed to the members of the Council.

• • • • •

4507 The executive secretary also reported that the Executive Committee had discussed with representatives of Coos Bay Aerie, No. 538, Fraternal Order of Eagles, located in Marshfield, concerning the organization by that lodge of a lay-owned corporation to be known as the Pacific Health Association, to provide medical care on a prepaid basis. The executive secretary outlined the principal features of the proposed organization. No formal action was taken with respect to this matter, but it was the consensus of opinion that the proposed plan conflicted in a number of ways with the Principles of Medical Ethics.

The executive secretary further reported that the Executive Committee had met with representatives of the Farm Security Administration to discuss the problem of providing medical care to clients of the Administration in Polk, Yamhill and Washington Counties and that these

representatives had tentatively proposed the organization of a cooperative health association, similar to one now operating in Idaho, as a means of meeting this problem. The executive secretary stated that the representatives of the Farm Security Administration were planning to submit shortly, for the consideration of the Society, a proposed plan for the organization of such a cooperative health association to provide medical care for clients in the counties named.

President Sweeney called for the report of the Committee on Scientific Work. In the absence of Dr. Bridgeman, chairman of the committee, the executive secretary reported that the committee had tentatively concluded to recommend the dates of August 24-25-26 for the annual session at Timberline Lodge and that the committee had made preliminary contacts with several prospective guest speakers. Upon motion duly made and seconded, it was voted that the Committee on Scientific Work be given full authority to fix the dates and to make all other necessary arrangements in connection with the annual session.

President Sweeney called for the report of the Committee on Malpractice Insurance. Dr. Martzloff, chairman, presented a summary report of the experience under the plan with the Metropolitan Casualty Insurance Company, from its inception in June 1934 to December 31, 1937. Upon motion duly made and seconded, it was voted that this report be accepted and the Committee on Malpractice Insurance complimented for its efforts.

President Sweeney called for the report of the Committee on State Industrial Affairs. Dr. Lamb, chairman, reported that the State Industrial Accident Commisson had made the changes in its proposed fee schedule which the Council had requested and that the new schedule was placed in effect on April 1st.

President Sweeney called for the report of the Committee on Public Education. Dr. Hunt, chairman, presented a written report outlining a detailed plan of public health education for use by the component societies. Upon motion duly made and seconded, it was voted that this report be adopted and that further effort be made to stimulate the broadcasting of health education programs over Station KOAC and other radio stations.

President Sweeney called for the report of the Committee on Medical Economics. Dr. Coberth, chairman of the committee stated that the committee had two reports, designated Preliminary Report No. 2 and Preliminary Report

No. 3, to present. Dr. Adams, secretary of the committee, read these reports.

Plaintiff's Exhibit 321

4508 **MINUTES**

June 4, 1938

The regular monthly meeting of the Council of the Oregon State Medical Society was held at the Mallory Hotel on Saturday, June 4th, at 2:00 P.M. The following members of the Council were present: Charles T. Sweeney, Charles E. Sears, W. W. Baum, Richard B. Adams, Dean P. Crowell, Morris L. Bridgeman, Karl E. Martzloff, O. C. Hagmeier, Charles E. Hunt, J. C. Hayes, Thompson Coberth, L. S. Kent, Ralph A. Fenton, and John H. Fitzgibbon.

Alfred C. Kinney, George E. Henton, and the executive secretary were also present.

The meeting was called to order by President Charles T. Sweeney.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of April 2nd and to adopt the minutes in the form in which they had been previously mailed to the members of the Council.

* * * * *

4509 2. Voted to recommend that the Council adopt the following report of the Committee on Publication:

The Committee on Publication has held a number of meetings within the past few months at which possible improvements in "Northwest Medicine" were discussed. Our discussions have been concerned particularly with increasing the journal's effectiveness as a medium for keeping our membership informed concerning current issues confronting the medical profession and the activities of the Council and the various committees. Dr. Clarence A. Smith, the editor, attended our last meeting and expressed a desire to cooperate fully in attaining this objective.

From these discussions, our committee has developed a number of specific suggestions. We are therefore submitting the following recommendations for the approval of the Council, for transmission to

the Board of Trustees of the Pacific Northwest Publishing Association:

1. That the Oregon State Medical Society request that a reasonable number of pages be made available for the discussion of matters of special interest to our membership and for reporting the activities of the Council and committees, and that a similar group of pages be made available to the Washington State Medical Association and the Idaho State Medical Association.
2. That the editorial section be moved to the first pages, that more editorials on current issues be published, and that these editorials be localized; that is, deal with important developments in each of the three states.
3. That, because of past failure to conduct such a department by volunteer service, our society employ a part-time editor to edit and foster the preparation of material for the proposed Oregon section, to prepare editorials, and to stimulate local advertising.
4. That a more attractive general format be developed.
5. That efforts to increase income and reduce costs be stimulated.

Respectfully submitted,

GOODRICH C. SCHAUFFLER, Chairman

KARL H. MARTZLOFF
E. H. MCLEAN

Upon motion duly made and seconded, it was voted that this recommendation be adopted.

3. Voted to recommend that the Council approve the following charter form for component societies:

OREGON STATE MEDICAL SOCIETY

Official
Seal

Know All Men:

THE COUNCIL OF THE OREGON STATE MEDICAL SOCIETY, BY AUTHORITY OF THE CONSTITUTION

AND BY-LAWS, GRANTS THIS CHARTER TO ITS CONSTITUENT UNIT

THEREBY CONFERRING UPON IT AND ITS OFFICERS AND MEMBERS ALL OF THE HONORS, RIGHTS AND BENEFITS OF MEMBERSHIP IN THE OREGON STATE MEDICAL SOCIETY SO LONG AS THEY CONFORM TO THIS SOCIETY'S CONSTITUTION AND BY-LAWS AND THE PRINCIPLES OF MEDICAL ETHICS OF THE AMERICAN MEDICAL ASSOCIATION, THE VIOLATION OF WHICH SHALL MAKE THIS CHARTER REVOCABLE IN THE DISCRETION OF THE HOUSE OF DELEGATES, UPON RECOMMENDATION OF THE COUNCIL.

ISSUED .....

..... PRESIDENT

..... SECRETARY

Dr. Coberth stated that reference to the violation of the Principles of Medical Ethics of the American Medical Association as a basis for revoking a charter should be eliminated and that instead reference should be made to the violation of the policies of the House of Delegates as a ground of revocation.

Upon motion duly made and seconded, it was voted that the charter form be adopted with an amendment striking out the words, "Principles of Medical Ethics of the American Medical Association", and substituting, in lieu thereof, the words, "policies of the House of Delegates". Upon motion duly made and seconded, it was voted that the question of issuing charters to component societies be presented to the House of Delegates for consideration.

4510 • • • • •

5. Voted to recommend to the Council that nonmembers attending the annual session be charged a registration fee of $10.00, except that members of other state societies be permitted to attend without the payment of any fee.

Upon motion duly made and seconded, it was voted that this recommendation be adopted.

• • • • •

8. Voted to recommend to the Council that the services of the Council and the Executive Committee be offered

to the Coos and Curry Counties Medical Society in working out the problems of contract practice in that district.

In discussion, it was pointed out that a member of the Coos and Curry Counties Medical Society had appealed to the Executive Committee for assistance in dealing with the contract practice situation. Upon motion duly made and seconded, it was voted that this member be invited to attend the next meeting of the Executive Committee.

9. Voted to recommend that the services of the Council and Executive Committee be offered to the members of the Society in Burns, in connection with the contract practice arrangement of the Edward Hines Lumber Company.

In discussion, a letter from Dr. W. G. Homan of Burns, requesting the assistance of the Society in this matter, was read. Upon motion duly made and seconded, it was voted that Dr. Homan be invited to the next meeting of the Executive Committee.

4511 10. Voted to recommend to the Council that the matter of chiropractors giving first-aid instruction for the American Red Cross be investigated, that Dr. Sard Wiest, medical director of the Multnomah County Chapter, be interviewed, and that every possible representation be made to the American Red Cross to the effect that the giving of first-aid instruction should be limited to qualified graduates in medicine or qualified lay individuals who have not been graduated from a cult school or are not engaged in cult practice.

In discussion, Dr. Kent stated that the Lane County Chapter of the American Red Cross had recently appointed a chiropractor as first-aid instructor and that this chiropractor had been giving first-aid instruction in his office. She stated that the Lane County Medical Society had entered a protest and that, as a result, the chiropractor had been directed to cease giving instruction in his office, although he was still serving as instructor. Dr. Kent stated that the situation with respect to the Lane County Chapter had been taken care of, but that her information indicated that chiropractors in other states were attempting to participate in the first-aid instruction of the Red Cross, for which reason it was important that action be taken in the

matter. Upon motion duly made and seconded, it was voted that the recommendation of the Executive Committee be adopted and that the Delegate to the American Medical Association be asked to request action on the matter by the Association.

President Sweeney asked Dr. Coberth, chairman of the Committee on Medical Economics, whether the committee had anything to report. Dr. Coberth stated that the committee had held another meeting just prior to the meeting of the Council. He stated that the committee was agreed on a plan for the medical care of low-wage groups. Dr. Coberth stated that the plan would be submitted with the single idea of increasing the membership and strength of the Society. He stated that the committee would present a definite plan to meet the objections of those members who may not desire to participate in the plan. Dr. Coberth stated that the plan which the committee would submit would require that all physicians participating be members of the Society, but would provide that members who do not desire to participate actively in the rendering of medical service would have a voice in determining policies.

There was discussion as to whether the Committee on Medical Economics should not present its report and recommendations to the Council, prior to the meeting of the House of Delegates on June 25th. There was discussion, also, concerning the distribution of mimeographed copies of the committee's report. It was concluded that extensive publicity of the report should be avoided. Upon motion duly made and seconded, it was voted that a special meeting of the Council be held on June 24th and that the Committee on Medical Economics supply each member of the Council with a copy of its report at this meeting, all copies of the report to be returned to the chairman of the committee at the close of the meeting.

There being no further business, the meeting was adjourned.

Secretary

Plaintiff's Exhibit 322

NORTHWEST MEDICINE

The Journal of the State Medical Associations of Oregon, Washington, Idaho and the Pacific Northwest Medical Association

Issued Monthly by
Northwest Medical Publishing Association
Office of Publication, 230 Cobb Building, Seattle, Wash.

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Vol. 37 July, 1938 No. 7

EDITORIAL

The San Francisco Meeting

It is permissible to use superlatives in the description of events that one believes superior to any that have occurred dealing with a particular subject. This viewpoint is applicable to recent meetings of the American Medical Association. As has been mentioned in many publications, the meeting a year ago at Atlantic City was the climax of all the great meetings of past years. The recent meeting at San Francisco was in the same class, being supreme among the meetings held on the Pacific Coast. The superlative may be applied to attendance, papers presented, and the incomparable array of exhibits. Naturally, the largest state attendance was drawn from California, but other

Pacific states were well represented, there being 170 registered from Oregon, 182 from Washington and 39 from Idaho. San Francisco is truly a fascinating city to visit. Its many attractive features are supplemented by the two great bridges by which one approaches from the North and the East. It was quite a thrill to ride across what are claimed to be the "greatest ever."

Presentation of scientific papers comprises the great attraction of any annual medical meeting. The standard long since established by the American Medical Association was maintained at San Francisco. When a program of such great dimensions is presented, an individual must necessarily select those papers in which he is especially interested, if he desires to absorb them through the words of the writer. It is a satisfaction to know that in future issues of *The Journal*, one will be privileged to read any or all of them at his leisure. Physicians from all parts of the country appeared on this program. It was a pleasure to know that our states were represented. From Portland were papers presented by Goodrich C. Schauffler, Frank B. Kistner and Thomas D. Robertson, Karl H. Martzloff, Edwin E. Osgood, Olof Larsell and Robert S. Dow. From Seattle were papers by George W. Swift and S. N. Berens, and Donald J. Thorp.

To many members in attendance the greatest attraction was found in the exhibits. Both the commercial and scientific departments presented information on many subjects, in a manner that one could grasp and appreciate much more convincingly than by reading their descriptions. Each scientific exhibit had in attendance either the author or one familiar with the subject exhibited, each of whom was most courteous and attentive to all inquirers. These exhibits demonstrated a great variety of apparatus for treating a multitude of conditions, as well as methods of treatment of disease. The moving picture has added an inestimable feature to these occasions, and at this meeting they were exhibited, featuring surgical operations with vivid reality, accentuated by natural colors which are now a standard feature of these pictures. Here, again, the greatest multiplicity of exhibits came from California, San Francisco and Los Angeles naturally including the largest number. Other Pacific states also were included.

OREGON

Actions of the Council

At its meeting at the Mallory Hotel in Portland on Saturday, June 4, the Council considered and took action on numerous important matters.

Study of Need and Supply of Medical Care

The plan for the conduct of the Study of the Need and Supply of Medical Care in Oregon, submitted by the Executive Committee, was approved. This plan, which was outlined in detail in this column last month, involved the employment of fourth-year medical students as field surveyors to assist the component societies in collecting the necessary information. An expenditure of $1500 was authorized, and the Executive Committee was given authority to increase the expenditure to $2000, if it deems such action necessary.

Proposed Changes in Northwest Medicine

The report of the Committee on Publication, recommending certain changes in NORTHWEST MEDICINE, was approved and the committee was authorized to present the following recommendations to the Board of Trustees of the Pacific Northwest Publishing Association:

1. That the Oregon State Medical Society request that a reasonable number of pages be made available for the discussion of matters of special interest to our membership and for reporting the activities of the Council and committees, and that a similar group of pages be made available to the Washington State Medical Association and the Idaho State Medical Association.

2. That the editorial section be moved to the first pages, that more editorials on current issues be published, and that these editorials be localized, that is, deal with important developments in each of the three states.

3. That, because of past failure to conduct such a department by volunteer service, our society employ a part-time editor to edit and foster the preparation of material for the proposed Oregon section, to prepare editorials, and to stimulate local advertising.

4. That a more attractive general format be developed.

5. That efforts to increase income and reduce costs be stimulated.

New Charter Form

A new charter form for component societies was approved. It was also decided that the question of issuing charters to component societies be presented to the House of Delegates for consideration.

Annual Session

It was decided that guest speakers be paid their necessary expenses and a nominal honorarium. It was voted that nonmembers be charged a registration fee of $10, except that members of other state societies be permitted to attend without the payment of any fee. The purchase of 400 badges, incorporating the Society's official emblem, at a cost of $52.75 was authorized.

Midyear Session of House of Delegates

It was voted that the midyear session of the House of Delegates on June 25 be held in the auditorium of the Medical-Dental Building in Portland and that provision be made for the House to meet in executive session.

Requests for Assistance in Dealing with Contract Practice

The Executive Committee reported that requests for assistance in dealing with certain problems arising out of contract practice had been raised from members in Coos and Harney Counties. The Executive Committee was authorized to invite these members to its next meeting for the purpose of discussing these problems.

Chiropractors and the American Red Cross

There was discussion concerning the appointment of chiropractors as first aid instructors by the American Red Cross. It was reported that the Lane County Chapter had recently appointed a chiropractor in this capacity and that he had been giving first aid instruction in his office. It was further reported that, following a protest by the Lane County Medical Society, the chiropractor had been directed to cease giving instruction in his office, but that he would continue to serve as instructor for the remainder of his appointment. Information submitted appeared to indicate that chiropractors in other states were attempting to par-

ticipate in the first aid instruction by the Red Cross. It was voted the matter be investigated, that Dr. Sard Wiest, medical director of the Multnomah County Chapter be interviewed, and that every possible representation be made to the American Red Cross to the effect that the giving of first aid instruction should be limited to qualified law individuals who have not been graduated from a cult school or are not engaged in cult practice.

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Plaintiff's Exhibit 323

4516 STATE DEPARTMENTS

OREGON

INTERIM REPORT OF THE COUNCIL

The following interim report of the Council was submitted to the House of Delegates at its midyear session at Portland on June 25. Action providing for a mid-year session was taken by the House of Delegates at the 1936 session. This was the result of the increasing number of questions of vital importance with which the society must deal, the rapidity of developments affecting the practice of medicine, and the relatively inadequate time available for deliberation during the three short daily meetings of the House at the annual session.

Owing to the untimely death of President Watts, no mid-year session was held last year. As a substitute, however, a full day's meeting was arranged on the day prior to the opening of the 1937 session. There was unanimous agreement that this full day's meeting was successful in affording a much larger opportunity for discussion and in enabling the members of the House of Delegates to obtain more complete information concerning the many complex questions which confront the medical profession of the country, and particularly the pressing questions which are peculiar to our own state.

One of the primary purposes of this meeting is to present to the House information concerning events of concern to the medical profession which have occurred since the 1937 session, and to apprise the delegates of the actions of the Council during this period. This report is submitted in at least partial fulfillment of this objective.

Meetings

The Council has held eight meetings since the 1937 session. All of these were held in Portland. An attempt was made to arrange a meeting in connection with the annual meeting of Southern Oregon Medical Society held at Oregon Caves in May, but as many members of the Council were out of the state or otherwise not available, it was impossible to obtain a quorum. Several members of the Council were, however, in attendance at this meeting.

The Executive Committee has met frequently during the interim between Council meetings to deal with matters which require immediate consideration.

The Care of the Low-Wage Earner

The major problem confronting the medical profession throughout the United States is that of meeting the agitation concerning the medical care of the so-called "low-wage" group, that is, the group who are able to provide themselves with the other necessities of life and even a number of luxuries, but who are said to find it difficult to finance the costs of serious illness. A constant stream of articles on this subject has appeared in the popular magazines since the reports of the Committee on the Costs of Medical Care were released in 1932.

Moreover, other events have occurred in this connection. Last year the Home Owners Loan Corporation, without apparent legal authority, loaned funds for the establishment of Group Health Association, Inc., a corporation organized to provide medical care to federal employees in Washington, D. C., on a prepayment basis. If this organization is established on a firm basis, the way is open to the organization of similar associations among federal employees throughout the country.

Cooperative health associations have also been promoted by the Farm Security Administration among its farm clients. A proposal for the formation of such a cooperative in a limited area in our own state has just been received from the regional office of this government.

Following a national survey, undertaken by the United States Public Health Service as a P.W.A. project, the Interdepartmental Committee to Coordinate Health and Welfare Activities, appointed by President Roosevelt, has reported that a tremendous dearth of medical care exists among the low-wage group and that one-third of the people lack adequate food, shelter, clothing and medical care.

This in spite of the fact that it is conservatively estimated that during the past eight years the American medical profession has given, and is now donating to the medically indigent, services to the extent of $1,000,000 per day.

The President's committee has called a National Health Conference of representatives of the American Medical Association, other professional societies, labor organizations, welfare organizations, and various federal and state agencies to be held on July 18-19-20. The purpose of this conference is to discuss methods of providing medical care to this low-wage group. The results of this meeting will undoubtedly be of great significance to the future of American medical practice.

In connection with this same trend, the U. S. Senate has passed a bill sponsored by Senator Robert Wagner of New York, providing for the investigation of the provision of health and medical care for the people of the United States. The bill carries an appropriation of $50,000. The New York State Assembly has also passed a bill, sponsored by Robert Wagner, Jr., providing for a similar investigation in that state.

American Medical Association Study of Need and Supply of Medical Care

The surveys, upon which past and present claims of widespread lack of medical care are based, have been made under the auspices of foundations, welfare organizations and government agencies which have relied largely on data collected by lay individuals who lack proper appreciation and understanding of the values involved in the delivery of medical service. With a view to obtaining accurate information through professional channels, the American Medical Association has undertaken a national Study of the Need and Supply of Medical Care. This study is being made through the state and county medical societies.

The Council has approved a plan for carrying on the study in Oregon which involves the employment of fourth-year medical students to assist the component societies in collecting the necessary data. It is of the utmost importance that each component society and each individual physician cooperate fully in this survey. If carefully conducted, the study will provide information of intestimable value
4517 in dealing with forces which are working to effect fundamental changes in medical practice.

Assistance to Component Societies in Dealing with the Problems of Contract Practice.

Two years ago the Council began to receive numerous requests from members in various parts of the state for assistance in meeting the disrupting effects of commercial contract practice. These arose in large part because of the widespread violation of ethical principles into which the physicians of many communities had been drawn by the tactics of commercial hospital associations.

It was evident that it was necessary for the Council to assume the leadership and provide the machinery by which the various component societies could return to a reasonable observance of ethical principles and meet the pressing problems of contract practice. Since that time, the Council and its Executive Commitee have been available to the component societies for assistance in dealing with these problems. Moreover, the Council employed legal counsel and made his services available to all component societies which were faced with problems arising from unethical contract practice.

During this period notable progress has been made by a number of local societies in dealing with these problems. Representatives of several component societies have met with the Executive Committee, and plans have been developed to meet their local situations. Members of the Executive Committee and legal counsel, upon request, have also visited various local societies for this same purpose. As a result, a reasonably satisfactory solution of the problems of contract practice has either been worked out or is in the process of being achieved in a number of counties, notably in Lane, Clackamas and Jackson Counties.

It should be pointed out that little progress can be made in meeting the problems arising from contract practice in a given community until the members of the local medical society have taken sufficient interest to analyze their local situation, to reach a reasonable agreement concerning it, and to make an effort to develop some plan suitable to their particular local conditions. The most that any centralized body, such as the Council, can do is to outline general principles to govern the organization and operation of local plans and to provide a reasonable amount of assistance and counsel in the development and establishment of the plan. The Council, through its Executive Committee and legal counsel, has provided the machinery through which any local situation can be dealt with, provided there is a rea-

sonable unanimity of viewpoint among the members of the component medical society. Considering the long period during which existing evils have had the opportunity to develop, the progress made in dealing with contract practice by these means has been gratifying indeed.

Organization of County Societies

For many years the Council has repeatedly pointed out that the medical profession in counties with more than six physicians should be organized into a county medical society. Heretofore there have been many counties without county medical societies, the medical profession of a large area being organized in a district society which meets only once a year. Other counties have been grouped together in bicounty or tricounty societies which meet more frequently. However, it has long been recognized that the county medical society is the backbone of medical organization and that multicounty and district societies are ineffective in dealing with pressing social and economic problems which now demand the attention of the organized medical profession.

It is gratifying, therefore, to report that since the last annual session county medical societies have been organized in Linn, Lincoln and Josephine Counties. A Lake County Medical Society is in the process of formation. Lake County has heretofore been joined with Klamath County in a bicounty society. A Grant and Harney Counties Medical Society is also being formed. Moreover, several other county societies which have been relatively inactive have recently been revived.

The Council has approved a new charter form and has recommended that the question of issuing new charters to component societies be discussed by the House of Delegates.

Postgraduate Instruction

While the society must devote a considerable portion of its efforts to dealing with social and economic problems and the maintenance of sound conditions of medical practice, it must be borne in mind that one of the primary purposes of organized medicine is that of the maintenance and elevation of professional proficiency. In order to perform this function more effectively, many state societies in recent years have developed valuable programs of postgraduate instruction. The usual plan is to divide the state into convenient districts, and send periodically to each of these districts a team of clinicians who give "refresher" courses in the various fields of medicine and surgery. In other states

these courses have been well attended and it is evident that they play an important part in keeping the membership abreast of scientific advances. This is particularly true in the smaller communities, where the busy physician finds is difficult or almost impossible to leave his practice for extended periods to obtain postgraduate instruction.

The conduct of this activity would involve problems of finance. Some state societies have taken advantage of federal funds which are now available for postgraduate instruction in obstetrics and pediatrics. However, the entrance of government into this field has possible implications of future government control of medical practice which need to be carefully considered.

The Council has discussed this subject informally on several occasions. It is believed that discussion by the House, and later by the various component societies, with a view to the development of a program of postgraduate instruction for our members would be desirable. Our annual session, of course, provides a form of postgraduate instruction. During the past few years this conception has been particularly kept in mind and guest speakers who are especially qualified in their special fields have presented a series of addresses on correlated topics, supplemented by round-table discussions. In the arrangement of the program for this year's annual session this same policy will be continued.

Public Education

Hand in hand with organized medicine's function to maintain professional proficiency is the correlated duty of disseminating information to the lay public which will tend to make it receptive to the utilization of the many services which scientific medicine has to offer. Since the last annual session the Committee on Public Education has made an extensive study of methods of public education used by the American Medical Association and the various state societies, and has developed a program for the guidance of our component societies. The program contemplates the active use by each component society of the avenues of approach to the public which exist in their respective communities. These include a wide variety of lay organizations, including service clubs, women's clubs, P.-T. A. groups, etc., to which speakers on health topics may be sent, the publication of health articles in the local newspapers, and the broadcasting of health talks where local radio stations exist. It is highly impor-

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tant that every component society place in effect such portions of the program outlined by the committee as their local facilities will permit.

Unionization of Groups Auxiliary to Medicine

Since the last annual session attempts have been made to unionize pharmacists and other groups of workers auxiliary to the practice of medicine. The Council adopted a definite policy opposing the unionization of the professions and allied groups. This policy was supported by the Oregon State Federation of Professional Societies. An appeal was also made to the American Medical Association and to the national association of the affiliated professions to confer with the proper bodies of the national labor organizations on this subject. The movement to unionize groups auxiliary to the medical profession has apparently declined. However, it is believed that the adoption of a definite policy of opposition based on sound grounds will be helpful in dealing with this problem should it arise in the future.

Enforcement of the Medical Practice Act

For some time the State Board of Medical Examiners has realized that the medical practice act is not being enforced as efficiently as is possible. The Board is confronted with many difficulties, one of the chief problems being the lack of cooperation by many of the county district attorneys upon whom the burden of the actual prosecution of violators falls. In many instances the district attorney is uninterested in prosecuting the cases, and in other instances the district attorney prepares cases so inadequately that convictions are not obtained.

The Board concluded that the employment of an attorney to plan the prosecution would provide at least a partial solution of these problems. The Board suggested that the employment of the society's legal counsel, who during a period of years has become especially interested in and familiar with the problems of the medical profession, would be desirable. The Council concurred in this suggestion and the society's attorney is now acting in this capacity.

It is gratifying to report that since this plan was placed in effect, three successive convictions have been obtained in Multnomah County in cases involving the unlicensed practice of medicine.

Relations with the State Industrial Accident Commission

Due largely to the continued efforts of the Committee on State Industrial Affairs, the friendly relations between the State Industrial Accident Commission and the medical profession have been maintained. It is safe to say that these relations are now the most harmonious that they have ever been since the enactment of the Workmen's Compensation Law.

In 1934, at the request of the society, the Commission ceased to publish a fee schedule. At that time the society published its own Minimum Industrial Fee Schedule and the Commission agreed to use it as a base schedule, but applying a 25 per cent discount on each item. The Commission found that this procedure resulted in a great deal of misunderstanding among physicians and requested this practice be abandoned. After studying the fee schedules in effect in the various states, the Commission prepared a new schedule of its own and submitted it to the Committee on State Industrial Affairs. Upon the recommendation of the Committee the Council approved this schedule with a few adjustments and it was placed in effect on April 1, 1938. It is believed that the new schedule provides compensation to physicians which is comparable to that prevailing in adjacent states.

Other Actions of the Council

Since the last annual session the Council has taken action on many other matters. The most important are included in the following summary:

1. Adopted an insignia, containing the caduceus, as the official seal of the society, and authorized that this insignia, in the form of a sticker evincing membership in the society for use on office doors, be provided to each member each year.

2. Adopted a resolution condemning the effort of the "Committee of Physicians" in seeking independent support among the medical profession for principles and proposals affecting the practice of medicine already acted upon by the House of Delegates of the American Medical Association, and declaring that such action could only confuse the issue and mislead the uninformed.

3. Approved the showing of the film, "The Birth of a Baby," to the public in motion picture theaters in the state

without age or other restrictions, except those which may be imposed by the American Committee on Maternal Welfare which produced and distributes the film.

4. Authorized the cooperation of the society with Multnomah County Medical Society in sponsoring the exhibition of the Camp "Transparent Woman" in Portland during August and September, 1938.

5. Adopted the policy that drugs displayed in the Technical Exhibit at annual sessions be limited to those approved by the Council on Pharmacy and Chemistry of the American Medical Association.

6. Approved the requirements established by the State Board of Medical Examiners governing the eligibility for licensure of graduates of foreign medical schools, these regulations requiring that an applicant who is a graduate of a foreign medical school shall have obtained a license in his native country, shall have pursued one year's study in a Class "A" American medical school, shall have served a one year's interneship in a hospital approved for interneship by the American Medical Association, and shall have declared his intention of becoming an American citizen.

7. Authorized participation in a conference of representatives of the California, Washington and Oregon state associations for the purpose of discussing common problems, and voted to invite the California and Washington state associations to send representatives to a similar conference in Portland this fall.

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4519 11. Approved the proposal of the State Board of Health to make available to physicians, free of charge, smallpox vaccine and diphtheria toxoid, especially for the purpose of emphasizing the immunization of infants and preschool children, and to cooperate in stimulating physicians to immunize this group, with the understanding that the State Board of Health will not publicize the fact that the vaccine and toxoid are being supplied to physicians gratis, except as it may be necessary to inform employees of the Board and the county health units, who will assist in supplying the vaccine and toxoid upon the request of physicians.

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13. Approved the proposal of the State Board of Pharmacy for the establishment of a joint committee, to consist

of representatives of the State Board of Medical Examiners, the State Board of Health, the State Board of Pharmacy, the Oregon State Pharmaceutical Association and our society, to discuss problems of mutual interest and to assist in coordinating the enforcement of the pharmacy and medical practice acts.

14. Voted that the matter of chiropractors giving first-aid instruction for the American Red Cross be investigated, that Dr. Sard Wiest, medical director of the Multnomah County Chapter be interviewed, and that every possible representation be made to the American Red Cross to the effect that the giving of first-aid instruction should be limited to qualified graduates in medicine or qualified lay individuals who have not been graduated from a cult school or are not engaged in cult practice; also to request the Delegate to the American Medical Association to seek action on the matter by the Association.

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(This exhibit is part of the August 1938 issue of *Northwest Medicine*.)

Plaintiff's Exhibit 324

4520 MINUTES

August 6, 1938

A special meeting of the Council of the Oregon State Medical Society was held at the Mallory Hotel on Saturday, August 6th, at 12:15 P. M. The following members of the Council were present: Charles T. Sweeney, Charles E. Sears, W. W. Baum, Dean P. Crowell, W. F. Hollenbeck, Morris L. Bridgeman, Karl H. Martzloff, Blair Holcomb, Guy L. Boyden, Charles E. Hunt, E. D. Lamb, Thompson Coberth, L. S. Kent, Ralph A. Fenton, and John H. Fitzgibbon.

George E. Henton, Wilson Johnston, Neil Black, Medical Consultant to the State Relief Committee, and the executive secretary were also present.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of June 24th and to adopt the minutes in the form in which they had been previously mailed to the members of the Council.

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4521 President Sweeney called upon Dr. Coberth, Chairman of the Committee on Medical Economics, for any additional report the Committee might have to make.

Dr. Coberth stated that the Committee had not met since the mid-year meeting of the House of Delegates on June 25th. He stated that he was not sold on the incorporation of the Oregon State Medical Society for the purpose of engaging in contract practice unless such action were necessary. He stated that the Committee was convinced that such a step was necessary because of the problems presented by physicians outside of organized medicine. He stated that the society must take some definite stand toward contract practice and that it could not sidestep this problem any longer.

Dr. Crowell stated that a meeting of representatives of all the physician-owned associations in the state had been held two weeks ago at Eugene. He stated that there had been no attempt to undermine the Council or its work, but was a serious business attempt to improve on the procedures of the various associations. He stated that the object was to establish a statewide business organization for the purpose of developing uniform contracts, ethical methods and meeting similar common problems. He stated that representatives of the doctor-owned associations planned to hold another meeting on Saturday, August 13th, to draw up plans for affiliating the several associations. He stated that if such affiliation were effected, the Oregon State Medical Society would then have only a single organization of affiliated associations with which to deal. He stated that he did not believe that the Society would vote to enter into contract practice this year and that for this reason, the doctor-owned associations were developing this plan of affiliation.

Dr. Sears stated that he was profoundly impressed with the attitude and absence of tension among the members of the Council at this meeting. He stated that he believed it would be a long time before socialization of the medical profession were effected. He stated that the medical profession had not been vocal in opposing the apparent trend to regiment its members, but that it was evident that physicians were now aroused.

He stated that the Committee on Medical Economics had made great progress in dealing with the problem of contract practice and that progress had also been made prior to the activities of the Committee. He stated that

the plan proposed by the Committee that the Oregon State Medical Society organize a statewide corporation to engage in contract practice was ideal in some respects, in that the plan would cover the entire state and would compel physicians of the state to get together and put pressure on them to take an interest in their common problems.

He stated that the plan had disadvantages, however, in that it would create a separate organization within the Society and definitely commit it to a path upon which it would find it difficult to retrace its steps if it developed that a mistake had been made.

He stated that out of conversation with a number of the members of the Council and with many members of the Society over the state, he had attempted to put together a Statement of Policy and Program for the Medical Care of Low-Wage Industrial Groups. He then read the statement. (See attached)

Dr. Crowell stated that Dr. Sears was to be congratulated on the painful efforts required to develop this statement. He stated that it had been his thought that the Society should not directly operate a plan of contract practice, but should provide counsel to local organizations which desire to operate plans of contract practice.

4522 Dr. Baum stated that he had advocated the statewide plan because it appeared to be the only means by which certain objectives could be accomplished. He stated that the Society must protect those physicians who do not wish to engage in contract practice and that any plan which might be developed should include all members of the Society irrespective of whether they render service under the plan or not. He stated that otherwise any organization established for this purpose would be an organization of contract physicians only.

Dr. Lamb stated that he had been a member of the original Committee on Medical Economics, but that his associates in practice had been away a great deal during the past year and it had been necessary for him to remain at work, for which reason he had been compelled to resign from the committee. He stated that the plan outlined by Dr. Sears made no provision for contracts to cover employees of the State Highway Commission, road contractors, dredging companies, and other organizations operating on a statewide basis. He stated that no local organization was large enough to undertake such contracts. He stated that at first he had been opposed to any plan which would require the Oregon State Medical Society to engage

in contract practice and that the only reason he had agreed to such a plan was to meet the problem of statewide contracts.

Dr. Coberth stated that all the members of the Committee on Medical Economics, except one, felt that the committee had not developed a solution to the problem of contract practice. He stated that the Committee did agree that some definite action must be taken now, that machinery must be set up to enable the Council to control individual physicians and see that they abide by established policy, and that the Oregon State Medical Society should not adopt the policy of the Multnomah County Medical Society of disciplining members who accept patients from commercial hospital associations, until it is in a position to offer some plan.

Dr. Martzloff stated that the discipline of members for violations of the Principles of Medical Ethics was primarily a function of the local societies and that the Multnomah County Medical Society had voted by an overwhelming majority on three occasions to enforce the Principles of Medical Ethics. He stated that he believed it was a mistake for any member outside of Multnomah County to attempt to interpret the local situation there, as it would be for a Portland member to try to interpret the situation in any ouside community.

Upon motion duly made and seconded, it was voted that the proposal of the Committee on Medical Economics that the Oregon State Medical Society organize a statewide corporation to engage in contract practice be not recommended to the House of Delegates, but that the substitute plan outlined at this meeting be approved and recommended to the House of Delegates, and that a copy of the substitute plan be sent to the officers of all the component societies as soon as possible.

Dr. Sears stated that the substitute plan was not original and that it was based upon the work of the Committee on Medical Economics. He stated that the substitute plan merely represented an attempt to work out something which would incur less criticism from the medical profession as a whole.

Dr. Lamb stated that Mr. Harry Boivin, former Speaker of the House of Representatives, had advised that the Oregon State Medical Society develop some constructive plan for the medical care of the low-wage earner, in view of the pressure for legislation on this subject at the 1937

session of the State Legislature, and that the likelihood that the passage of some undesirable legislation might be attempted at the 1939 session. Dr. Lamb stated that Mr. Boivin had offered to assist the medical profession in dealing with such measures. Dr. Lamb emphasized the importance of contacting candidates for the State Legislature on this and other medical problems which seem likely to be before the coming session, in order to obtain first-hand information concerning their attitude, and stated that these contacts should be made in advance of the November election.

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There being no further business, the meeting was adjourned.

MORRIS L. BRIDGEMAN
Secretary

Plaintiff's Exhibit 325

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4524

STATE DEPARTMENT

OREGON

Care of Low-Wage Earners by Oregon State Medical Society

Statement of Policy and Program for the Medical Care of Low-Wage Industrial Groups

(Adopted by the House of Delegates, August 25, 1938)

We are all agreed that definite action should be taken to meet the problem of contract practice and the medical care of the low-wage earner. The sole question is what method shall be used to accomplish this end.

The fundamentals of a proposed program are as follows:

1. That the Oregon State Medical Society immediately establish a Bureau of Medical Economics.

2. That the services of this Bureau and of legal counsel be made available to the component societies.

3. That each component society be requested to indicate whether the problem of contract practice and the medical care of the low-wage industrial groups in its local community is such as to make desirable the organization of a special plan to provide medical care to such groups.

4. That upon request of any component society, the representatives of the Bureau of Medical Economics and legal counsel be sent to such society to make a survey of the local situation and, in cooperation with representatives of the local society, develop a plan for a local organization to provide medical care for the low-wage groups.

5. That any plans developed be there after submitted to the Executive Committee of the Council for review with particular respect to their conformity to ethical standards and the policies of the Oregon State Medical Society.

6. That the principle be established that each local organization shall limit its activities to the territory embraced within the jurisdiction of the local society by which it is approved; provided, however, that upon the request of a neighboring society, or the physicians of a neighboring county, the Council may authorize the extension of the activities of a local organization to such additional territory. The activities of the local organization in such additional territory shall be subject to the supervision of a committee representing the local society or the physicians of such territory; and provided, further, that the Council, under special circumstances, may authorize a given local organization to take a statewide or partial statewide contract.

7. That the Council, with the technical assistance of the Bureau of Medical Economics, develop plans and policies for the early accomplishment of the following objectives:

a. The Bureau of Medical Economics shall be composed of one representative from each of the existing and future organizations operating plans approved by the local medical societies, together with the Executive Committee of the Council of the Oregon State Medical Society. The duties of this Bureau which shall be carried on under the direction of the Council, shall be to settle disputes arising between approved local organizations under their contracts or in their administration, and such other duties as may be assigned to it by the Council.

b. The development of uniform by-laws for existing and future organizations operating plans approved by the local medical societies.

c. To suggest contracts to such organizations, with particular respect to uniform provisions concerning services rendered outside the territorial limits of the local organizations.

d. The drafting of schedules of rates to subscribers, sufficient to provide adequate medical care.

e. The installation of uniform accounting practices among approved local organizations, as far as feas-
4525 ible.

f. The development of forms of agreement under which approved local organizations would provide services to the subscribers of other such organizations who need care outside the territorial limits of the organization of which they are subscribers.

g. The establishment of general policies for the guidance of local organizations, on such matters as the income level for subscribers, the method of approving the taking of statewide or partial statewide contracts by a given local organization, the means to be used by local organizations in making known their services to industrial groups, etc.

8. That it be the policy of the Oregon State Medical Society to cooperate with the Oregon Association of Hospitals in the development of a plan to provide hospital care on a prepayment basis, with the ultimate objective of limiting prepaid plans approved by local societies to supplying professional services.

This statement of policy and program may be changed or modified by a majority vote of the Council at any time, provided the notice of the meeting states the object of the proposed change or modification.

If any provision of this statement of policy and program is in conflict with the Constitution or By-laws of the Oregon State Medical Society or those of the American Medical Association, the invalidity of such provision shall not affect the balance of this statement of policy and program.

(This exhibit is part of the September 1938 issue of "Northwest Medicine.")

Plaintiff's Exhibit 326

4526 MINUTES

September 10, 1938

The regular monthly meeting of the Council of the Oregon State Medical Society was held at the Mallory Hotel on Saturday, September 10th, at 12:15 P.M.

The following members of the Council were present: Charles E. Sears, Charles E. Hunt, F. L. Ralston, George E. Henton, W. F. Hollenbeck, Morris L. Bridgeman, Karl H. Martzloff, Guy L. Boyden, G. H. Strickland, O. C. Hagmeier, W. W. Baum, R. W. Hemingway, L. S. Kent, Ralph A. Fenton and John H. Fitzgibbon.

C. O. Sturdevant, John J. Coughlin, legal counsel, and the executive secretary were also present.

The meeting was called to order by President Sears.

President Sears introduced each member of the Council.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of August 6th, and to adopt them in the form in which they had been previously mailed to members of the Council.

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Plaintiff's Exhibit 327

4527 MINUTES

October 8, 1938

The regular monthly meeting of the Council of the Oregon State Medical Society was held at the Mallory Hotel on Saturday, October 8th, at 2:00 P.M.

The following members were present: Charles E. Sears, Charles T. Sweeney, Charles E. Hunt, Louis P. Gambee, F. L. Ralston, George E. Henton, W. F. Hollenbeck, Karl H. Martzloff, G. H. Strickland, R. W. Hemingway, Thompson Coberth, L. S. Kent, and John H. Fitzgibbon.

John J. Coughlin, legal counsel, and the executive secretary were also present.

The meeting was called to order by President Sears.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of September 10th and adopt them in the form in which they had been previously mailed to the members of the Council.

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Plaintiff's Exhibit 328

4528 **MINUTES**

November 12, 1938

The regular monthly meeting of the Council of the Oregon State Medical Society was held at the Mallory Hotel on Saturday, November 12th, at 12:15 P.M.

The following members of the Council were present: Charles E. Sears, Charles E. Hunt, George E. Henton, W. F. Hollenbeck, Karl H. Martzloff, G. H. Strickland, O. C. Hagmeier, J. C. Hayes, R. W. Hemingway, Thompson Coberth, L. S. Kent, Ralph A. Fenton and John H. Fitzgibbon.

Stanley Lamb, S. H. Sheldon, H. J. Clements, G. I. Hurley, A. H. Huycke, John Kuykendall, James A. Bradley, Milton V. Walker, John J. Coughlin, legal counsel, William F. Selleck, public relations counsel, and the executive secretary were aso present.

The meeting was called to order by President Charles E. Sears.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of October 8th and to adopt them in the form in which they had been previously mailed to the members of the Council.

The following bills for the month of October were read and approved:

John J. Coughlin	$156.60
Professional services	

* * * * *

4529 Upon motion duly made and seconded, it was voted that this recommendation be adopted.

7. Subscriptions to the "Journal" of the American Medical Association and "Hygeia".

   a. It is important that the society's public relations activities be in consonance with the policies of the American Medical Association as set forth from time to time in the "Journal and Hygeia". For this reason, it is recommended that subscriptions to these publications be provided the public relations counsel.

Upon motion duly made and seconded, it was voted that this recommendation be adopted.

Upon motion duly made and seconded, it was voted that the recommendations contained in this report be adopted as a whole.

President Sears announced the appointment of committees as follows:

STANDING COMMITTEES

Scientific Work

Morris L. Bridgeman, Portland, Chairman
Louis P. Gambee, Portland
Matthew C. Riddle, Portland

Public Policy

R. E. Lee Steiner, Salem, Chairman
A. O. Waller, Eugene
Richard B. Adams, Portland
Albert W. Holman, Portland
E. D. Lamb, Klamath Falls
Thompson Coberth, The Dalles

Public Education

Charles E. Hunt, Eugene, Chairman
D. C. Reynolds, Corvallis
F. Bertram Zener, Portland

Medical Education and Hospitals

W. F. Hollenbeck, Portland, Chairman
L. M. Bain, Albany
J. P. Brennan, Pendleton

State Industrial Affairs

E. D. Lamb, Klamath Falls, Chairman
Burton A. Myers, Salem
George I. Hurley, Eugene
B. A. Van Loan, Portland
Thompson Coberth, The Dalles
Eugene W. Rockey, Portland

Medical Defense

Frank E. Butler, Portland, Chairman
Otis F. Akin, Portland
W. F. Hollenbeck, Portland

SPECIAL COMMITTEES

Maternal Welfare

Raymond E. Watkins, Portland, Chairman
Carl W. Emmons, Salem
Goodrich C. Schauffler, Portland
Grant S. Beardsley, Eugene
Albert Mathieu, Portland
G. L. McBee, Pendleton
C. H. Phetteplace, Eugene

Conversation of Hearing

Wilson Johnston, Portland, Chairman
W. W. Baum, Salem
Lester T. Jones, Portland
Wilford H. Belknap, Portland
Squire S. Bozorth, Portland
F. L. Ralston, La Grande
Ernest A. Woods, Ashland

Revision of Constitution and By-Laws

Karl H. Martzloff, Portland, Chairman
John R. Montague, Portland
E. H. McLean, Oregon City

4530 *Conservation of Vision*

A. B. Dykman, Portland, Chairman
Helen A. Cary, Portland
Frederick A. Kiehle, Portland
Irving M. Lupton, Portland
Ralph W. Stearns, Portland
George Herbert Henton, Portland

Clinic and Institutional Medical Care

S. G. Henricke, Portland, Chairman
G. D. Carlyle Thompson, Portland
Frank R. Mount, Portland
Roy S. Stearns, Portland
Charles P. Wilson, Portland

Military Affairs

H. M. Greene, Portland, Chairman
Byron G. Bailey, Grants Pass, Vice-Chairman
Dean P. Crowell, North Bend
Laban A. Steeves, Salem
A. F. Walter Kresse, Medford

Liaison-Woman's Auxiliary

O. C. Hagmeier, Seaside, Chairman
Karl H. Martzloff, Portland
L. S. Kent, Eugene

Veterans' Affairs

Archie Van Cleve, Portland, Chairman
Fred Lieuallen, Bend, Vice-Chairman
R. C. Faust, Eugene
E. B. Stewart, Roseburg
Laban A. Steeves, Salem
M. A. Kenney, Rainier
D. C. Stanard, Eugene
Thomas E. Griffith, The Dalles
Joseph P. Brennan, Pendleton
A. F. Walter Kresse, Medford
M. R. Charlton, Tillamook
C. J. Bartlett, Baker
L. B. Bouvy, La Grande
M. M. Woodworth, Albany
H. R. Kauffman, Toledo
A. B. Peacock, Marshfield
E. D. Lamb, Klamath Falls

Medical Advisory Committee to the State Relief Committee

Karl H. Martzloff, Portland, Chairman
Louis P. Gambee, Portland
Frank R. Mount, Portland

Honorary Membership

D. C. Burkes, Portland, Chairman
W. G. Homen, Burns
P. J. Bartle, Eugene
J. C. Booth, Lebanon
A. W. Moore, Portland

Syphilis Control

Morris L. Bridgeman, Portland, Chairman
Earl M. Anderson, Portland
W. Ronald Frazier, Portland
H. Welland Howard, Portland
Lyle B. Kingery, Portland
Merl L. Margason, Portland
Howard C. Stearns, Portland

C. O. Sturdevant, Portland
Charles P. Wilson, Portland

Advisory Committee on the Care of Crippled Children

Otis F. Akin, Portland, Chairman
Harry C. Blair, Portland
C. Elmer Carlson, Portland
Leo S. Lucas, Portland
Charles R. McClure, Portland
A. G. Bettman, Portland
C. W. Brunkow, Portland
E. W. Rockey, Portland
Charles P. Wilson, Portland
Richard B. Dillehunt, Portland

Advisory Committee on Laboratory Standards to the State Board of Health

C. H. Manlove, Portland, Chairman
Frank R. Menne, Portland
Robert L. Benson, Portland
Emma M. Howe, Portland

Necrology

A. C. Kinney, Sea View, Washington, Chairman
George E. Houck, Roseburg
Andrew C. Smith, Portland
David Robinson, Tillamook

Plaintiff's Exhibit 329

4532 **MINUTES**

February 5, 1938

The regular monthly meeting of the Council of the Oregon State Medical Society was held at the Mallory Hotel on Saturday, February 5th, at 2:00 P. M. The following members of the Council were present: Charles T. Sweeney, Charles E. Sears, W. W. Baum, Richard B. Adams, W. F. Hollenbeck, Morris L. Bridgeman, Guy L. Boyden, O. C. Hagmeier, Charles E. Hunt, E. D. Lamb, Thompson Coberth, L. S. Kent, and Ralph A. Fenton.

Joseph F. Wood, Secretary of the State Board of Medical Examiners, Stanley Lamb, George E. Henton, Burton W. Myers, and the executive secretary were also present.

The meeting was called to order by President Charles T. Sweeney.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of January 15th and to adopt the minutes in the form in which they had been previously mailed to the members of the Council.

The following bills were read and approved:

* * * * *

Northwest Medicine	
714 subscriptions to journal	$714.00
American Medical Association	
10 copies "Group Hospitalization"	4.50

* * * * *

4533 President Sweeney called for the report of the Executive Committee. The executive secretary reported the following actions of the Committee:

1. Voted to recommend that the Council adopt the following policy with respect to the question raised by the Lane County Medical Society concerning the indirect rendering of services for unethical contract organizations:

   The Council has referred to the Executive Committee a request received from one of our component societies for a decision as to whether it is in conformity with the Principles of Medical Ethics for a physician to render service to an individual and accept payment of a reasonable and customary fee from such an individual, when the physician knows or has good reason to believe that the individual is covered by a contract with an organization which employs practices which are in violation of the Principles and that the patient is obtaining from the contract organization the money to pay his fee.

   The Executive Committee is of the opinion that such a practice is unsound, dangerous, and contrary to public policy. A practice of this kind, by indirection, supports and lends cooperation to the operation of organizations which employ methods in contravention of the Principles and is essentially a subterfuge. If it is unethical for a physician to be directly associated with such an organization, it is equally objectionable to be associated with it by a subterfuge.

   Moreover, such a practice tends to give the impression that the Principles of Medical Ethics are primar-

ily concerned with the power of revenue, rather than with the broader fundamental concepts of methods employed to obtain patients, such as advertising and solicitation, the maintenance of a high quality of medical care, and other basic principles whose purpose is the protection of the public welfare.

By permitting himself to become a tool in such questionable commercial practices, the physician, for immediate gain, prostitutes himself to organizations employing unethical methods, losing sight of the fact that ultimately he destroys his professional standards, loses personal interest in his patients, suffers a decline of his professional proficiency, and contributes to sacrificing the public welfare through medical care.

A practice of this kind is especially evil in a community with a small number of physicians. It permits organizations employing unethical methods to play one physician against another and, by favoritism, to create dissension among the physicians. Where such an organization has only one or two contracts in a community, such a practice encourages a situation in which, in order to obtain an entering wedge in the community, the contract organization may give much more service to persons covered by its contracts that can possibly be justified by the amount it receives from its subscribers.

For these reasons, the Executive Committee is of the opinion that such a practice is in violation of the Principles of Medical Ethics.

4534 Upon motion duly made and seconded, it was voted that this recommendation be laid on the table until the Committee on Medical Economics submits its report on contract practice.

2. Voted to recommend to the Council that the Society participate in a conference of representatives of the California, Washington, and Oregon state associations to be held in San Francisco on February 27th for the purpose of discussing common problems.

Upon motion duly made and seconded, it was voted that this recommendation be adopted and that representatives be sent to this conference, at the expense of the Society, with the definite understanding that these representatives may not commit the Society to any particular policy with refer-

ence to the questions which are discussed; and further that the Executive Committee be authorized to determine the number of representatives and to select them.

3. Voted to recommend to the Council that each component society be provided with a charter as soon as possible, each charter to be framed at the expense of the state society.

Upon motion duly made and seconded, it was voted that this recommendation be adopted, and that the details of the charter form be worked out by the Executive Committee.

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Plaintiff's Exhibit 330

4535 MINUTES

February 11, 1939

The regular monthly meeting of the Council of the Oregon State Medical Society was held at the Mallory Hotel on Saturday, February 11th, at 12:15 P. M.

The following members of the Council were present: Charles E. Sears, Charles E. Hunt, Louis P. Gambee, George E. Henton, Morris L. Bridgeman, Karl H. Martzloff, Guy L. Boyden, G. H. Strickland, O. C. Hagmeier, L. S. Kent, and John H. Fitzgibbon.

Richard B. Adams, Richard B. Dillehunt, Frederick D. Striker, G. D. Carlyle Thompson, John J. Coughlin, legal Counsel, William F. Selleck, pubic relations counsel, and the executive secretary were also present.

The meeting was called to order by President Charles E. Sears.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of December 3, 1938, and to adopt the minutes in the form in which they had been previously mailed to the members of the Council.

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Plaintiff's Exhibit 331

4536 **MINUTES**

March 4, 1939

The regular monthly meeting of the Council of the Oregon State Medical Society was held at the Mallory Hotel on Saturday, March 4th, at 12:15 P. M.

The following members of the Council were present: Charles E. Sears, Charles E. Hunt, Louis P. Gambee, F. L. Ralston, George E. Henton, Karl H. Martzloff, Guy L. Boyden, G. H. Strickland, R. W. Hemingway, Thompson Coberth, L. S. Kent, and Ralph A. Fenton.

Richard B. Adams, Wilson B. Coffey, President of the Oregon Association of Hospitals, John J. Coughlin, legal counsel, and the executive secretary were also present.

The meeting was called to order by President Charles E. Sears.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of February 11th, and to adopt the minutes in the form in which they had been previously mailed to members of the Council.

The February bills were read and approved, as follows:

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Northwest Medicine 747.00
Subscriptions — 7/1/38 — 12/31/38

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Plaintiff's Exhibit 332

4537 **MINUTES**

April 1, 1939

The regular monthly meeting of the Council of the Oregon State Medical Society was held at the Mallory Hotel on Saturday, April 1st, at 12:15 P. M.

The following members of the Council were present: Charles E. Sears, Charles E. Hunt, George E. Henton, Morris L. Bridgeman, Karl H. Martzloff, G. H. Strickland, O. C. Hagmeier, W. W. Baum, J. C. Hayes, R. W. Hemingway, and L. S. Kent.

Richard B. Adams, Frank R. Mount, Robert L. Benson, John J. Coughlin, legal counsel, William F. Selleck, public relations counsel, and the executive secretary were also present.

The meeting was called to order by President Charles E. Sears.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of March 4th and to adopt them in the form in which they had been previously mailed to the members of the Council.

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Plaintiff's Exhibit 333

4538 **MINUTES**

June 3, 1939

The regular monthly meeting of the Council of the Oregon State Medical Society was held at the Mallory Hotel, Saturday, June 3rd, at 12:15 P. M.

The following members of the Council were present: Charles E. Sears, Charles E. Hunt, Louis P. Gambee, George E. Henton, W. F. Hollenbeck, Morris L. Bridgeman, Karl H. Martzloff, Guy L. Boyden, G. H. Strickland, O. C. Hagmeier, W. W. Baum, James C. Hayes, R. W. Hemingway, F. L. Ralston, L. S. Kent, John H. Fitzgibbon, and Ralph A. Fenton.

Goodrich C. Schauffler, Leo J. Meienberg, Adolph Weinzirl, John J. Coughlin, legal counsel, and the executive secretary were also present.

The meeting was called to order by President Charles E. Sears.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of April 1st and that they be adopted in the form in which they had been previously mailed to the members of the Council.

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4539 issues. Upon motion duly made and seconded, it was voted that the Executive Committee be authorized to select a physician to act as editor of the Oregon Section of "Northwest Medicine" on a part-time basis.

A letter from the Lane County Medical Society was read. The letter outlined the following plan by which the Lane County Medical Society and representatives of the Eugene Clinic and Hospital and the Pacific Hospital Association might be affiliated with the Bureau of Medical Economics:

1. The president or council of the Lane County Medical Society to appoint a committee of six members, three

of whom shall be members of the Eugene Hospital Association and three of whom shall be members of the Pacific Hospital Association, the chairman of said committee to be the president of the Lane County Medical Society.

2. This committee to meet at regular intervals and to be charged with the following responsibilities:

   (a) Institute policies to govern both associations on problems which have an ethical nature such as advertising, solicitation, underbidding, and competition;

   (b) Initiate policies to govern the wage limits of persons eligible to receive care and the type and extent of coverage under the contracts of both groups so that persons intending to contract with either group would not be subject to pressure from either group based upon increased benefits under one or the other contract;

   (c) Institute a policy whereby any minority group in any plant or industry covered by the contract of either group may choose to contract with the other group if they desire to do so;

   (d) Investigate the feasibility of permitting any person under contract with either group to secure permission to see a doctor in the other group.

3. This committee to choose one representative for a one-year term to represent the position of the Lane County Medical Society in regard to plans for prepaid medicine on the Bureau of Medical Economics of the State Society and to represent both the Eugene Hospital Association and the Pacific Hospital Association on said Bureau.

4. The committee is to secure a free and full discussion of all problems dealing with prepaid medicine in Lane County and by securing such discussion to enable both groups to more fully understand the problems of the other and to work toward a mutual and harmonious decision on all matters affecting both groups.

5. It will be the aim of the committee to bear in mind the institution of a plan whereby the activities of both groups can be integrated more closely and to work

toward a plan whereby there will be only one approved agency to administer the plan for low-income industrial groups in Lane County.

4540 Dr. Hunt and Dr. Kent explained that the proposed plan was a progressive step in the control of contract practice in Lane County and expressed the opinion that future progress would probably eventually effect an amalgamation of the two existing plans of prepaid medical care.

Upon motion duly made and seconded, it was voted that the plan for affiliating the Lane County Medical Society, the Eugene Clinic and Hospital, and the Pacific Hospital Association with the Bureau of Medical Economics be approved.

* * * * * *

There was discussion concerning the desirability of providing postgraduate instruction for the membership. Upon motion duly made and seconded, it was voted the the President be authorized to appoint a Committee on Postgraduate Education.

Attention was called to the adoption of the following resolution by the Clatsop County Medical Society on May 12, 1939:

> On and after June 1, 1939, members of the Clatsop County Medical Society will render service only to individuals under coverage of the National Hospital Association and the Industrial Hospital Association, as these two organizations have accepted and agreed to pay for services on the basis of the fee schedule drawn up by the Clatsop County Medical Society, and further have agreed to pay for work-injury and all other accident cases on the basis of the State Industrial Accident Commission schedule of rates, and further have
> 4541 agreed that all members of the Clatsop County Medical Society be on the accepted list of physicians of these two hospital associations. An exception to the payment for services as outlined above is made in the case of certain physicians employed by these hospital associations in outlying communities where competent medical care is not available unless provided in this manner.

Dr. Hagmeier outlined the events leading up to the adoption of this resolution. A general discussion of the content of the resolution followed. It was concluded that this action of the Clatsop County Medical Society be given

consideration at a later date by the Council, as well as the Bureau of Medical Economics.

At this point, the Council convened in joint session with the State Board of Health. The following members of the Board were present: Frank R. Mount, Robert L. Benson, Arthur W. Chance, W. J. Weese, Harvey A. Woods, and Frederick D. Stricker. Mr. Arch B. Clark of the U. S. Public Health Service was also present.

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4542 • • • • •

Secretary

Plaintiff's Exhibit 334

4543 MINUTES

July 1, 1939

The regular monthly meeting of the Council of the Oregon State Medical Society was held at the Mallory Hotel on Saturday, July 1st, at 12:15 P. M.

The following members of the Council were present: Charles E. Sears, C. T. Sweeney, Charles E. Hunt, Louis P. Gambee, F. L. Ralston, George E. Henton, W. F. Hollenbeck, Morris L. Bridgeman, Karl H. Martzloff, G. H. Strickland, W. W. Baum, J. C. Hayes, R. W. Hemingway, E. S. Kent, and John H. Fitzgibbon.

Herbert L. Hartley of Seattle, Assistant to the Editor of "Northwest Medicine", G. D. Carlyle Thompson, Director of the Division of Maternal and Child Health of the Oregon State Board of Health, Charles P. Wilson, Roy A. Payne, G. I. Hurley, R. Gordon MacDonald, John J. Coughlin, legal counsel, and the executive secretary were also present.

The meeting was called to order by President Charles E. Sears.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of June 3rd and to adopt them in the form in which they had been previously mailed to the members of the Council.

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4544 A letter from the Mid-Columbia Medical Society was read. The letter reported the adoption, on June 5, 1939, of the following resolution:

"Whereas, the employers, employees and doctors of these communities, feeling the need for the substitution of the present lay hospital contracts by physician controlled organizations, and,

Whereas, last November, this Society was of the opinion that it would be preferable to invite a group, such as the Multnomah Medical Service Bureau to cover our commities rather than to form a hospital association of our own, and,

Whereas, certain employers have been advised to hold up contracts with the expectation that some plan would be worked out with the approval of the State Medical Society, as a substitute for the lay-owned hospital association,

Therefore, now be it resolved, that the governing body of the State Medical Society be urged to expedite their decision as to the status of the Multnomah Medical Service Bureau so that the Mid-Columbia Medical Society may proceed immediately with an approved contract."

Upon motion duly made and seconded, it was voted that, in accordance with the request of the Mid-Columbia Medical Society, the Multnomah Medical Service Bureau be granted permission to enter into contracts to provide medical care to low-wage groups in the counties within the jurisdiction of that society.

A letter from the Clatsop County Medical Society relating to its recent action with respect to contract practice and the medical care of low-wage industrial groups was read. The letter was accompanied by a report of a committee of that society which has been studying the problems arising from contract practice. This report was also read.

There was discussion concerning the implications of the action of the Clatsop County Medical Society regarding contract practice and the medical care of low-wage industrial groups, from the standpoint of the conflict with the established policies of the House of Delegates with respect to these matters. Upon motion duly made and seconded, it was voted that the President be authorized to prepare a statement of the Council's position in relation to the action of the Clatsop County Medical Society, as embodied in its resolution of May 12, 1939, that he send this statement to that society, with the request that it rescind this action,

and that, if the Clatsop County Medical Society does not comply with this request by a designated date, within a reasonable time, its members be requested to meet with the Council.

President Sears referred to the authorization given him to appoint a committee to investigate the policy of the Federal Bureau of Narcotics that it intends to enforce strictly the regulation prohibiting the telephoning of prescriptions containing narcotics, and to ascertain whether the Bureau might recognize certain exceptions to this regulation. He announced the appointment of the following committee: John R. Montague, chairman; Morris L. Bridgeman, and William A. Shea.

President Sears also referred to the authorization given him to appoint a Committee on Postgraduate Education. He stated that the size of this committee had not been determined, but that a committe of 3 or 5 members might be suitable, inasmuch as the committee could utilize consultants in the various specialties. He stated that he would refer to the Committee on Revision of Constitution and By-Laws

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Plaintiff's Exhibit 335

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4545 EDITORIAL

The Press Called It Socialized Medicine

Headlines in Portland papers on June 15, 1939, announced that the medical profession had gone in for socialized medicine. No matter what else socialized medicine implies, it certainly means governmental control of medicine, and the present action of organized medicine is about as far from socializing our profession as possible.

What actually had happened the night before this press release? There merely had been a formal announcement that Multnomah Medical Service Bureau had conformed to the ethical standards and policies of Oregon State Medical Society and that it was acceptable to the Society as an association to provide medical care for low-wage industrial groups. Also the way was left open for other hospital associations to obtain approval of the local county society as an agency for this same purpose.

What is the set-up in Oregon State Medical Society which protects against socialized medicine? Simply this: On August 25, 1938, the state society accepted the principle

of prepayment for medical care for low-wage industrial groups and adopted regulations covering this type of practice (Northwest Medicine 37:302, Oct., 1938). The state society did not attempt to establish a state-wide organization to provide this care, but left this to the component county societies. It did establish a Bureau of Medical Economics which is an advisory body, with the power of censorship remaining with the Council. This plan protects the autonomy of the component county societies and places supervision and censorship in the state society.

This certainly is not socialized medicine, but to try to explain it to the public and the press is another story. It is necessary, however, for every physician to understand the principles involved so that the plan can be carried to its logical conclusion, which is a state-wide coverage for all low-wage industrial groups developed by the county societies and supervised by the State Bureau of Medical Economics, with no lay governed body in the picture. The implications are enormous and this program can well bring about the elimination of all the objectionable features of contract practice as it exists in Oregon today.

4546

What is necessary to bring about this situation which would be so mutually satisfactory to the public and the medical profession? First, have a clear understanding of the extremely simple principles involved; second, begin with the concept that a service is to be rendered to a needy group; third, develop a determination to make the plan work. Following these three principles clearly and unemotionally will prevent wrecking the program at its inception, will keep out the trouble-making thought of remuneration and will so unite the medical profession of Oregon that socialized medicine can never threaten to destroy a high type of medical service to the people of the State of Oregon.

STATE SOCIETY ACTIVITIES

The Council of Oregon State Medical Society met in Portland July 1 and discussed a number of different problems.

John H. Fitzgibbon made a report on the meeting of the House of Delegates of American Medical Association at St. Louis, and presented a resume of the action taken relative to the Wagner Health Bill. He recommended that each component society be sent a copy of the resolutions with a request that they act and forward the results of their action to State Society headquarters. The action of the

component societies is always of great importance to the Trustees of American Medical Association in formulating policies and procedures.

Another action of the House of Delegates was to place the nomination for Chairman of Medical Education in the hands of the Board of Trustees instead of in the office of the President of American Medical Association.

Dr. Fitzgibbon then discussed at some length the ever-pressing problem in the South of negro membership in county and state societies. It is hard to recognize the difficulties and complexities of this situation at this distance, but the whole profession is aware of the necessity of some kind of recognition so that the qualified negro physicians can obtain approval that will enable them to care for those members of their race who come under federal projects. The House of Delegates of American Medical Association referred this problem back to the component state and county societies for decision and did not take formal action.

G. D. Carlyle Thompson presented in outline form the rules and regulations set forth by the Committee on Maternal Welfare which would govern maternal hospitals and homes. The necessity for these rules and regulations arose as a result of the recently enacted legislation which provides for licensing, inspection, and regulating of maternity homes or lying-in asylums by the State Board of Health. This report is the result of an enormous amount of work and in outline form deals with classification, definitions, general rules, equipment, medical and nursing care, record keeping, etc. When this outline is put into its permanent form, copies will be mailed to all members of the State Society.

Karl H. Martzloff, Chairman of the Medical Advisory Committee to the State Public Welfare Commission, brought up for discussion the problem of providing for a proper medical adviser where the individual counties do not have their own welfare physicians. It was pointed out that the present method of attempted arbitration has not worked satisfactorily, chiefly because it places too great a responsibility on the Arbitration Committee, and yet, some such adviser is necessary in dealing with problems of elective surgery, cesarian section, fee schedules and settlements. The Council indicated that it was necessary to form committees in component medical societies which would keep themselves informed on these problems

so that controversial issues might be worked out in a harmonious fashion.

Dr. Sears appointed John R. Montague, William A. Shea, and Morris L. Bridgeman, all of Portland, to comprise a committee to study the recent federal narcotic regulation concerning telephoning of prescriptions containing narcotics. Another committee appointed by Dr. Sears was on postgraduate education. Karl H. Martzloff and Morris L. Bridgeman of Portland were made the initial appointees with the thought that this committee would be enlarged when some of the initial groundwork has been covered.

After the Council meeting had adjourned, the Bureau of Medical Economics convened to hear reports by its various committees. It is interesting to an observer to see the interest and enthusiasm of the various members and the indications are that this Bureau will be an important functioning part of the State Society in the near future.

Bureau of Medical Economics

The Bureau of Medical Economics of Oregon State Medical Society consists of the following members:

Executive Committee: M. L. Bridgeman, Portland; W. F. Hollenbeck, Portland; C. E. Hunt, Eugene; L. S. Kent, Eugene; K. H. Martzloff, Portland; C. E. Sears, Portland.

Also the following members, representing the local organizations approved by their respective county societies to offer prepaid medical care to low-wage groups:

A. H. Huycke, Oregon City, representing the Association of Claekamas County Physicians, local organization approved by Clackamas County Medical Society.

D. P. Crowell, North Bend, representing Coos Bay Hospital Association, local organization approved by Coos-Curry Counties Medical Society.

J. C. Hayes, Medford, representing Southern Oregon Medical Service Association, local organization approved by Jackson County Medical Society.

G. I. Hurley, Eugene, representing Eugene Clinic and Hospital and Pacific Hospital Association, through Lane County Medical Society, under a plan approved by that society.

S. H. Sheldon, Portland, representing Multnomah Medical Service Bureau, local organization approved by Multnomah County Medical Society.

F. K. Power, Salem, representing the Physicians and Surgeons Hospital Association, local organization approved by Polk-Yamhill-Marion Medical Society.

E. R. Huckleberry, Tillamook, representing the Tillamook Hospital Association, local organization approved by Tillamook County Medical Society.

F. L. Ralston, La Grande, representing the La Grande Hospital Association, local organization approved by Union County Medical Society.

The following members of the Council are also members of the Bureau of Medical Economics during its formative stage: Guy L. Boyden, Portland; Thompson Coberth, The Dalles; John H. Fitzgibbon, Portland; Louis P. Gambee, Portland; R. W. Hemingway, Bend; George E. Henton, Portland; G. H. Strickland, Oregon City.

4547 • • • • •

LEGAL MEDICINE

The Schedule vs. Reasonable Fee

With the recent multiplication of schemes by lay groups to sell the services of physicians, it becomes important for physicians to have a clear understanding of their rights to compensation. The typical schemes provide some sort of a "fee schedule," which is normally lower than what would be a "reasonable fee" for the services rendered. Probably every physician has had numerous experiences with agencies which tell him he must accept their self-imposed fee schedules, and the battles of fee schedule vs. reasonable fee seem to be increasing in warmth and number.

The principle which governs the fee to which the physician is entitled is clear. *It is simply that the physician is entitled to the fee for which he contracts to perform the services.*

But the application of the principle is not always clear, mostly because a contract may be either express or implied. In general, an express contract is one where the parties reach an agreement on the terms, while an implied contract is one that the law implies from various circumstances. Thus, if a physician contracts with a patient to do an appendectomy for $200, an express contract, obligating the patient to pay $200, results. But if the patient comes to a physician's office, the physician says he needs a certain service (we will say an appendectomy), the patient consents, and the operation is performed, the law implies an obligation to pay the reasonable value of the services. Reasonable value is subject to proof in a law suit.

Express contracts do not cause physicians difficulty usually, except collecting the fee after the agreement has been reached. But where this problem becomes acute is in the field of implied contracts. The most usual complicated circumstances are in the field of industrial medicine or surgery.

Take a situation where an employee is injured while at work, and a physician is called. The physician arrives, and finds the employee lying in the rest room or some other place. The owner, manager or foreman is present. In Oregon, the patient is usually under the Workmen's Compensation Act, or some incorporated hospital association is obligated to render medical care to the patient, or some private insurance company has a contract with the employer to reimburse him for medical and other disability benefits.

If nothing is said about who will be responsible for the physician's services, it may be that:

1. The employee is alone responsible, for a reasonable fee, or

2. The employer is responsible, because of neglect of some legal duty, or

3. The Industrial Accident Commission is responsible, probably on its fee schedule, or

4. The hospital association or insurance company is liable, and their liability is usually limited by the contract or insurance policy which they have agreed to.

After the patient is past immediate danger, it behooves the physician to definitely ascertain who is to be responsible for his services. This becomes especially important, where a long and complicated course of treatment appears necessary, involving services of specialists, special nursing, etc. For if the physician goes ahead on his own initiative to employ such added services, *he may be held personally liable for the costs.*

If the physician goes ahead and renders services without an agreement as to who is to be liable, the chances are that after he submits his bill to the patient he will receive a letter from some insurance company or other agency, stating that he will only be paid on a certain fee schedule.

Unless the physician it to be bound by some fee schedule, the thing for him to do after the patient is out of immediate danger is to get a definite agreement from the patient, the employer, the insurance adjuster or some other

responsible party that the services be rendered on the basis of a reasonable fee at the cost of said responsible party. This procedure is only fair to the patient, the physician and others interested. It will save much discussion and complications later.

And be sure that the person who makes the agreement is authorized to do so. Do not depend on an insurance agent or other representative, unless he has authority to bind his company.

Of course, this discussion is general in its application. Many factors enter into a decision of a specific case, and this article is not intended to cover every case. For instance, many physicians are members of, or affiliated in some manner with, a hospital association, and have agreed to perform services on the basis of some fee schedule and have thus entered into a special agreement which may be broad enough to prevent relying on any other agreement in a particular case. The principle is clear, but you can see its application is difficult.

(This exhibit is part of the August 1939 issue of *Northwest Medicine.*)

Plaintiff's Exhibit 336

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Minutes

October 14, 1939

The regular monthly meeting of the Council of the Oregon State Medical Society was held at the Mallory Hotel on Saturday, October 14th, at 3:30 P.M.

The following members of the Council were present: Charles E. Hunt, Karl H. Martzloff, Charles E. Sears, George E. Henton, F. K. Power, Morris L. Bridgeman, John H. Fitzgibbon, Earl M. Anderson, L. M. Spalding, W. W. Baum, E. R. Durno, and L. S. Kent.

S. H. Sheldon, A. H. Huycke, G. I. Hurley, Joseph F. Wood, John J. Coughlin, legal counsel, and the executive secretary were also present.

The meeting was called to order by President Charles E. Hunt.

President Hunt introduced Dr. Spalding, Dr. Durno, and Dr. Power, new members of the Council.

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of July 1st, and to adopt them in the form in which they had been previously mailed to members of the Council.

The following bills were read and approved:

Barbara Hollingworth	$ 33.00
Clerical work at annual session	
Maurie Binford	20.00
Music for banquet at annual session	
Clyde C. Foley	2.97
Drayage on material from Gearhart	
Charles F. Morris	37.12
Operating lantern at annual session	
Constance Kletzer	10.00
Labor and materials for signs for annual session	
Dr. Clifford J. Barborka	250.00
Travelling expenses to annual session	
H. S. and D. Investment Company	43.15
Rent, heat and light	
Dr. A. F. Hartmann	130.00
Travelling expenses to annual session	
Dr. Otto H. Schwarz	130.00
Travelling expenses to annual session	
Dr. Nathan A. Womack	130.00
Travelling expenses to annual session	
The J. K. Gill Company	9.00
Office supplies	
Standard Stationery and Printing Company	7.40
Office supplies	
Allen's Press Clipping Bureau	5.00
Clippings for August	
Dr. W. W. Baum	1.00
Drayage on screen used at Gearhart	
Metropolitan Press Printing Company	9.00
Envelopes for mailing reprints	
Western Union Telegraph Company	.40
Messenger service	
John J. Coughlin	327.16
Legal service	

4550 Mr. Martzloff, Vice-Chairman of the Committee on Charitable Medical Care, presented a verbal report of certain recent developments in connection with the medical care of State Public Welfare Commission clients. He state that Mr. Elmer R. Goudy, State Public Welfare Administrator, had assured the committee that the State Public Welfare Commission would guarantee the payment of Physicians' fee in all cases in which the services had been

properly authorized by any of the County Welfare Commissions. He stated that, in the past, physicians in some counties did not receive payment for their services to welfare clients.

Dr. Martzloff stated that there had been considerable discussion concerning the physical examination form required by the State Public Welfare Commission. He stated that this form was unnecessarily elaborate for many cases of minor illness and accident and that the committee hoped to develop a more simple form for this type of case.

Dr. Durno stated that in Jackson County the physicians were supplying their services without charge to all Welfare clients who require surgical care in a hospital.

Dr. Kent called attention to the refusal of the State Public Welfare Commission to permit the use of relief funds for the care of communicable diseases.

Dr. Martzloff stated that the committee desired to receive all complaints which physicians have concerning the operation of the existing plan for the medical care of welfare clients. He suggested that the Lane County Medical Society organize its material in criticism of the operation of the plan in that county. He stated that, if this was done, the committee would arrange to have Dr. Neil Black, Medical Consultant to the State Public Welfare Commission, appear before the Council, in an effort to obtain a satisfactory adjustment of the difficulties.

President Hunt announced that two members were to be elected to the Executive Committee for the three year term ending in 1942. L. S. Kent and W. W. Baum were nominated and unanimously elected.

President Hunt announced that three members were to be elected to the Executive Committee of the Bureau of Medical Economics. Charles E. Sears, W. W. Baum, and E. R. Durno were nominated and unanimously elected.

Dr. Fitzgibbon called attention to the Medical and health supplement prepared by the Committee on Public Relations, in cooperation with "The Oregonian", and published on October 8th. Upon motion duly made and seconded, a vote of thanks was extended to the Committee on Public Relations for their efforts in connection with this supplement.

Dr. Fitzgibbon pointed out the need for more intensive activity by the Society, especially in the fields of medical economics and public relations. Upon motion duly made and seconded, it was voted that the Executive Committee be authorized to study the possibility of expanding the facili-

ties of the Society to meet current needs and the possibility of increasing revenues to finance the needed expansion.

President Hunt expressed the opinion that it was desirable to fix a definite date each month for meetings of the Council and the Bureau of Medical Economics. There was extended discussion concerning the time of meeting which would be most convenient for the majority, especially the out-of-Portland members. Upon motion duly made and seconded, it was voted that, for the next few months, meetings of the two bodies be held on the first Sunday, the Bureau to meet at 10:00 A.M. and the Council to meet immediately following.

There being no further business, the meeting was adjourned.

MORRIS L. BRIDGEMAN
Secretary

Plaintiff's Exhibit 337

4551 NORTHWEST MEDICINE

The Journal of the State Medical Associations of Oregon, Washington, Idaho

Issued Monthly by
Northwest Medical Publishing Association

Office of Publication, 230 Cobb Building, Seattle, Wash.

Vol. 38 NOVEMBER, 1939 No. 11

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4552 STATE COUNCIL MEETING NOTES

The Council of Oregon State Medical Society and its Bureau of Medical Economics met in Portland October 14.

BUREAU OF MEDICAL ECONOMICS

One of the main orders of business was consideration of the recommendation concerning the policies and procedures for providing medical care to low-wage industrial groups which will serve as a guide to local organizations affiliating with the Bureau. Principles determining the policy and program in this connection are, for the sake of review, as follows:

1. The principle of local autonomy; namely, that the medical profession in each local community should handle its own affairs, including the determination of the need of any special plan to provide medical care to low-wage industrial groups and the nature of any such plan.

2. The principle that Oregon State Medical Society should act as a clearing-house of information for its component societies and should provide them with the fullest technical assistance in surveying their local conditions and in developing and installing special plans of medical care where the component societies desire them.

3. The principle that Oregon State Medical Society should retain its independent status as a scientific and educational organization and its censorial functions over all plans for providing medical care.

It is well to remember that the Bureau of Medical Economics consists of the Council and one representative from each local organization, operating a prepayment plan approved by the component society of the community.

RECOMMENDED POLICIES ADOPTED

The Bureau meets to discuss various problems concerning medical economics and makes its recommendations to the Council which body takes action. In regard to the policies and procedures above mentioned, the following is abstracted from the detailed description of this recommendation:

TYPES OF CONTRACTS

Two types of contracts are recommended; namely, a Full Coverage, Nonindustrial Accident and Sickness Contract and a Nonindustrial Accident and Acute Illness Contract. The Full-Coverage, Nonindustrial Accident and Sickness Contract provides medical, surgical, hospital service, and supplies required by employees in nonindustrial accidents and for any sickness, subject to certain conditions and exceptions. The Nonindustrial Accident and Acute Illness Contract is designed primarily for seasonal workers. It is more limited in benefits and eliminates the care of chronic diseases.

It was recommended that approved local organizations do not enter into industrial accident contracts, except under certain circumstances, and that medical service be provided by the State Industrial Accident Commission under the "open" or "noncontract" plan.

4553 PURPOSE TO ASSIST LOW WAGE EARNERS

In talking about or describing these plans of medical care, it is well to bear in mind the purpose, which is "to contribute to the public welfare, and particularly to assist low-wage industrial groups by making medical services available through application of the insurance principle by budgeted, monthly payments which low-wage earners can reasonably meet from their limited incomes."

The eligibility objective is coverage of single wage earners with incomes of $1000 a year or less and married wage earners with incomes of $1600 a year or less. These

figures were arrived at after a state-wide survey and represent the mean amount suggested.

PHYSICIANS' FEES

No definite schedule of physicians fees was established. The following statement regarding such fees is included in the report: "The fundamental purpose of special plans of medical care for low-wage industrial groups is to enable these groups to obtain services by the payment of monthly fees commensurate with their modest incomes. This objective presupposes that professional fees will be nominal and somewhat below customary charges.

"Although there is some uniformity throughout the state, as, for example, under the schedule of the Oregon State Industrial Accident Commission, fees, generally speaking, vary considerably in the various local communities. For the present, therefore, it would appear desirable to leave each local organization free to determine the amount and method of distributing funds available for the payment of their own physician members."

SERVICES OF SPECIALISTS

Recognizing that services of specialists must be included in the completed plan, the following recommendations were made:

1. That the services of specialists be provided on the recommendation of the attending physician and the approval of the governing body of the local organization, or a committee or administrative officer designated by the governing body.

2. That subscribers be not permitted to consult specialists on their own initiative, unless the specialist elects to serve on the general panel of physicians.

3. That the fees paid specialists approximate, as nearly as possible, the fees in private practice, except when the specialist elects to serve on the panel of general physicians, in which case the general fee schedule shall apply.

HOSPITALIZATION, DRUGS AND DENTISTRY

One of the defects of existing local plans of medical care, which to some extent have inevitably followed the pattern of the commercial hospital associations, is the inclusion of hospitalization, drugs and a limited amount of dental service. The inclusion of these services in effect makes the physician-members the "insurer" for all the

services, their compensation consisting of the amount available after all other services have been paid for. The policy and program of the Society contemplates the ultimate elimination of hospitalization, drugs and dental services from approved local plans and the limiting of such plans to supplying physicians' services alone. When these services are eliminated, a reduction in the payments of subscribers to local organizations should be made.

The Oregon Association of Hospitals is interested in establishing a plan of group hospitalization. When such a plan is evolved, and it is feasible to place it in effect, hospitalization should be dropped from local medical plans. At the same time, drugs and dental services should be eliminated. Until these adjustments can be made, it is recommended that local organizations continue to provide these services under terms and conditions worked out in mutual cooperation with the representative organizations of the hospitals and the pharmaceutical and dental professions.

PUBLICITY

The Bureau of Medical Economics suggested the following methods for release of general publicity:

1. A statement that the purpose of the plan is to contribute to the public welfare, and particularly to assist low-wage industrial groups, by making medical services available through the application of the insurance principle by budgeted, monthly payments which low-wage earners can reasonably meet from their limited incomes.

2. Pamphlets outlining the details of the plan, for distribution among low-wage industrial groups who desire to consider the plan.

3. Stories in the local newspapers.

4. Radio talks.

5. Talks before civic organizations by members of the component society.

FINANCING THE BUREAU

During the present preliminary period of organization, the nominal expenses of the Bureau have been met from the current funds of the Society. To date, its principal function has been to act in an advisory capacity to existing and proposed local organizations, particularly with respect to legal procedure.

However, as its research and supervisional activities and its services to the affiliated local organizations increase, the Bureau will need more substantial financial support. It is recommended, therefore, that the activities of the Bureau be adequately financed jointly by a budgetary allotment from Oregon State Medical Society together with a reasonable annual contribution from each approved local organization, based upon a small percentage of its gross income.

BUREAU EXECUTIVE COMMITTEE CREATED

In order to expedite the emergency consideration of matters falling within the purview of the Bureau of Medical Economics, the Council created an Executive Committee of the Bureau. This Committee is composed of three members elected by the Council from among its number and three members elected by the Bureau from among the representatives of approved local organizations affiliated with it. The President of the Society is an ex-officio member and the presiding officer. The following have been elected to serve on this new Committee: Charles E. Hunt of Eugene, Chairman; Charles S. Sears of Portland; W. W. Baum of Salem; E. R. Durno of Medford (elected from the Council); F. K. Power of Salem; S. H. Sheldon of Portland; A. H. Huycke of Oregon City (elected from representatives of approved local organizations affiliated with the Bureau).

PRACTICE OF OSTEOPATHY

In recent years, the scope of practice of osteopaths has been the subject of considerable controversy. Osteopaths maintain that they have all the privileges of doctors of medicine. Correlated with this problem is the undetermined question of the quality of training offered by osteopathic schools.

In connection with these problems, the Council approved the recent action of its Executive Committee in requesting the State Board of Medical Examiners to take the neces-

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Plaintiff's Exhibit 338

4554 Minutes

November 5, 1939

The regular monthly meeting of the Council of the Oregon State Medical Society was held at the University Club on Sunday, November 5th, at 1:00 P.M.

The following members of the Council were present: Charles E. Hunt, Charles E. Sears, Karl H. Martzloff, George E. Henton, F. L. Ralston, F. K. Power, J. E. Buckley, Morris L. Bridgeman, Ralph A. Fenton, John H. Fitzgibbon, Earl M. Anderson, G. H. Strickland, L. M. Spalding, W. W. Baum, E. R. Durno, and C. W. McCain.

Charles P. Wilson, J. C. Hayes, Carl H. Phetteplace, Henry Garnjobst, Arthur C. Jones, L. J. Sparks, Acting Coordinator of Health, Physicial Education and Recreation of the State Department of Education, Howard R. Wood, Regional Health Specialist of the Farm Security Administration, John J. Coughlin, legal counsel, and the executive secretary were also present.

* * * * *

Upon motion duly made and seconded, it was voted to dispense with the reading of the minutes of October 14th and to adopt them in the form in which they had previously been mailed to the members.

4555 The Secretary reported that the Bureau of Medical Economics had voted to submit the following recommendations:

1. That the Recommended Policies and Procedures for Providing Medical Care to Low-Wage Industrial Groups, adopted by the Council on October 14, 1939, be amended by adding the following provisions: "No local organization may receive or retain the approval of the Council for affiliation with the Bureau, which includes among its physician-members any physician who participates in any plan of prepaid medical care for low-wage industrial groups which is not approved by a component society and the Council of the Oregon State Medical Society", and that this amendment become effective on a date to be fixed by the Council.

Upon motion duly made and seconded, it was voted that this recommendation be adopted.

2. That information concerning actions taken by the Bureau be made freely available to be sent to the

members of the Society in such form and at such times as authorized by the Council or its Executive Committee.

Upon motion duly made and seconded, it was voted that this recommendation be adopted.

3. That each affiliated local organization be requested to contribute for the immediate support of the Bureau a sum on the basis of 2 cents per subscriber on its rolls, as of October 31, 1939.

Upon motion duly made and seconded, it was voted that this recommendation be adopted.

4. That the Executive Committee of the Council prepare a budget for the Bureau and submit it with the regular budget of the Society.

Upon motion duly made and seconded, it was voted that this recommendation be adopted.

There was discussion concerning the payment of the travelling expenses of representatives of approved local organizations affiliated with the Bureau, who are not members of the Council. Upon motion duly made and seconded, it was voted that the travelling expenses of representatives in the Bureau, who are not members of the Council, be paid from funds made available in the budget of the Bureau.

Dr. Fitzgibbon called attention to the recent newspaper publicity concerning the contemplated medical and hospital contracts to be offered individuals and families by the National Hospital Association and expressed the opinion that members of the Society should be informed as to whether this and similar insurance plans conform to the Principles of Medical Ethics. Upon motion duly made and seconded, it was voted that the Executive Committee be instructed to prepare and send out a statement to the entire membership interpreting the Principles of Medical Ethics in relation to medical insurance plans.

The secretary reported that the Committee on the Revision of Constitution and By-Laws had requested that the new constitution and by-laws adopted at the Gearhart Session be printed and mailed to the members. Upon motion duly made and seconded, it was voted that authorization be given for the printing and mailing of the new constitution and by-laws.

Plaintiff's Exhibit 339

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NORTHWEST MEDICINE

The Journal of the State Medical Associations
of Oregon, Washington, Idaho

Issued Monthly by
Northwest Medical Publishing Association
Office of Publication, 225 Cobb Building, Seattle, Wash.

Vol. 39, No. 1 JANUARY, 1940 $2.00 per Year

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S. M. Poindexter, M.D., Boise, Idaho.

This journal goes to press the first day of the month. Material for publication should be received by the 25th of the preceding month.

Reprints will be furnished by the printer according to the schedule of prices which accompanies the galley proofs submitted to the author. The order for reprints should accompany the returned galley proofs. The printer holds the type until the first of the following month.

Illustrations will be provided by the journal to the extent of moderate cost, beyond which the contributor may provide anything he desires. Arrangements can be made by correspondence.

EDITORIALS

DO YOU READ STATE SECTIONS?

An important department of this journal is that which is devoted to the individual interests of the three state associations which it represents. Under the designation "State Sections" are presented each month descriptions and discussions of matters of special interest to the physicians of each of these states. Complaint has been received that members of some of the state organizations represented do not read these articles, and accordingly do not not keep posted on events and progress of affairs that properly should command their attention. This failure of observation and reading cannot be laid at the door of this journal. The material is there and easily accessible. Failure to read it can only be attributed to lack of attention and interest on part of the individual physicians.

In order to call special attention to matters of special interest under State Sections, as well as original articles that seem of particular importance, the table of contents which has always appeared on the title page, will hereafter be found on page four of the advertising section. On the title page hereafter will be listed those items and papers which appear to be of sufficient importance for individual mention. It is hoped that this arrangement may be effective in making this journal more useful to its readers.

THE TITLE PAGE

Ever since medical journals have been published the standard cover has been white with black lettering. Of late it has become popular to utilize colors for the cover, for which all hues and shades of the rainbow have been adopted. Some journals select one color and use it from month to month, while others appeal to the fancy of their readers by varying the color with different issues.

Until the present time this journal has been one of the few that has maintained its original style and format. Since, however, there have developed requests for a new appearance to keep in line with the example of other publications, this issue in-

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4557 STATE SECTIONS

OREGON

SIXTY-SIXTH ANNUAL MEETING, EUGENE, SEPTEMBER 3-5

COUNCIL MEETINGS

The regular monthly meeting of the Council was held in Portland December 3, at which time the following actions were taken:

A budget for 1940 was adopted, the estimate of which used up all the estimated income.

The Public Relations Committee was authorized to publish as paid advertising in the leading newspapers of the state the policies and principles of Oregon State Medical Society concerning prepaid medical care.

Consent was given to all component medical societies to proceed with disciplinary action on members servicing unapproved hospital associations after January 1, 1940.

Means of developing a program of postgraduate medical education were discussed.

On December 16 a special meeting of the Council was held with the Oregon Association of Hospitals, at which time there was considerable discussion of hospital insurance. A committee of three was appointed to meet with six members of the Oregon Association of Hospitals, three of whom will be members of the Portland Council of Hospitals. This committee was instructed to study the problem of hospital insurance and to report to the Council as to whether such insurance should be offered separate from medical service contracts and, if so, to recommend to whom it should be offered and in what form.

Executive Committee Meetings

The Executive Committee of the Council met on December 27 to hear the plan of C. H. Weston for prepaid medical service to individuals.

POLICIES AND ACTIVITIES OF OREGON STATE MEDICAL SOCIETY*

The Principles of Ethics of this Society were conceived in a spirit of public welfare and service. The practical application of the Golden Rule has been fostered in the relationships existing between doctor and patient and among the physicians. It is unprofessional and contrary to the public welfare for a physician to dispose of his services under conditions which make it impossible to render proper service to his patient or which interfere with reasonable competition among physicians in a community.

In considering special plans to meet the needs of particular groups of our people, the Society observes these and other fundamental and ethical principles. For example, no third person is permitted to come between the patient and his physician and dictate less extensive diagnosis and treatment than the physician believes is in the best interest of the patient. Moreover, the patient's right to choose his physician and hospital is respected.

The Society has sponsored or approved special plans by which the services of its members, numbering more than 800 of the physicians of the state, have been made more readily available to people without means or in low-income groups. More than 250,000 people are receiving or are eligible to receive medical care under a number of different plans which serve several large classes of beneficiaries.

Under the Society's program to provide medical care to low-income groups, approved medical service bureaus are operating in 13 counties. These approved bureaus are nonprofit organizations established and operated by the physicians in each local community to provide protection to wage-earners in illness and injury through the payment of small monthly premiums. All subscribers' premiums, except modest, necessary administration costs are used to provide medical and hospital services.

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* Published as a paid advertisement in the Oregonian and The Oregon Journal, December 17, 1939, by the Committee on Public Relations of Oregon State Medical Society. This same ad will be published in leading papers throughout the State.

In contemplation of the possible extension of the services of its members to these groups, the Society has made extensive studies of many and various prepaid plans of medical care. The Society will not approve any of these plans until it has been clearly shown that they are in the best interests of the public and will maintain high standards of medical practice.

The Society is prepared to approve medical indemnity insurance plans which assist the subscriber to pay for his medical and hospital services, wherein payments are made directly to the subscriber.

Regardless of what special plans are adopted to provide prepaid medical care, or whether the plans are conducted by private, public or governmental agencies, it must be realized that no such plan can provide that personal and individualized service which most people expect under private medical practice.

APPROVED LOCAL SERVICE BUREAUS

The following organizations have been approved by the Council of Oregon State Medical Society and are affiliated with the Bureau of Medical Economics:

Association of Clackamas County Physicians.
Coos Bay Hospital Association.
Southern Oregon Medical Service Association.
Eugene Hospital and Clinic.
Pacific Hospital Association.
Multnomah Medical Service Bureau.
Physicians and Surgeons Hospital Association.
Tillamook Hospital Association.
La Grande Hospital Association.

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Plaintiff's Exhibit 340

4558 EDITORIALS

IMPORTANCE OF STATE SECTIONS

Special attention of readers is called to subjects discussed under State Sections, pertaining to each of the state associations. Everyone is advised to read these each month in order that he may be posted on activities and matters of importance concerning his own organization.

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OREGON

SIXTY-SIXTH ANNUAL MEETING, EUGENE, SEPTEMBER 3–5

PRESIDENT'S LETTER

To Members of Oregon State Medical Society:

Eugene, Oregon,
Jan. 24, 1940.

Over a period of years our society has engaged in various activities. It seems to me that the below "objectives" state fairly clearly our present program. One might gain the impression by attending our Council meetings that all of our time and effort is spent in solving the problem of the medical care of the low-income group. This one problem has taken a great deal of our time and energy during the past several years.

However, we are solving many other problems of a different nature. We believe that the indigent patient should have as adequate care as possible and that no individual should ever go without medical attention for lack of funds. We are working toward adequate care of the low-income industrial worker with free choice of physician and hospital, and with no third party interfering with the patient-physician relationship or dictating the type of care to be given.

We favor indemnity health insurance as a means of assistance in paying for medical and hospital care. Any plans for medical care of the low-income patient should be solely in the hands of the medical profession.

We are working for a state-wide program of postgraduate education for the members of our profession with close cooperation with our University of Oregon Medical School. We believe that our members should have every opportunity possible to improve their knowledge and skill in caring for the sick. This program will be offered at the Medical School as well as at the annual meeting and also taken to the communities where the individual physician resides.

We believe that the time has long passed when we can keep our knowledge and problems to ourselves and that we should engage in a very active publicity campaign to inform the public of the attainments and attitudes of organ-

ized medicine. Our attitude on the subject of prepaid medical care, state medicine and many other vitally important questions should be given to the public. We should become much more vocal than we have been in the past. As physicians, we must take an active part and exert an important influence in all organizations which have to do with health. There are none more capable than we to do this and these organizations need our help and influence.

Last, we need to support to the full the program of our own American Medical Association. Its platform should be memorized by all of us and preached wherever we go in all our various contacts. We should seek diligently to preserve democracy in medicine as we do in all our other valued institutions.

CHARLES E. HUNT,
President.

1940 OBJECTIVES

OREGON STATE MEDICAL SOCIETY

1. An enlarged program to bring more and better medical service to low-wage groups and the people generally.

2. An expanded program of postgraduate education for physicians throughout the state.

3. An enlarged program of public relations to inform the public concerning the principles underlying high-type medical service and the evils of politically or commercially controlled medical service.

4. *Close cooperation with every agency whose program touches medical care, preventive medicine, health education or any phase of medicine.*

5. Full support of the platform of American Medical Association to improve the health and medical services of the Nation.

Every physician in the state is urged to support these objectives by membership in his local medical society and Oregon State Medical Society and participation in their activities.

LEGAL MEDICINE

ETHICS AND LAW ENFORCEMENT

Principles of Medical Ethics provide: